

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
REGION 21

UTILITY WORKERS UNION OF AMERICA
AFL-CIO (UWUA); INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL-UNITED FOOD &
COMMERCIAL WORKERS (ICWUC); AND THE
UWUA-ICWUC JOINT STEERING COMMITTEE

Case No. 21-CB-14820

-and-

SOUTHERN CALIFORNIA GAS COMPANY

INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL'S
MOTION FOR SUMMARY
JUDGMENT

Now comes the International Chemical Workers Union Council of the United Food & Commercial Workers ("ICWUC"), by and through the undersigned counsel, pursuant to NLRB Rule 102.24 and 102.50, and hereby moves for summary judgment in favor of the ICWUC, for the reasons and as more fully set forth below.

MEMORANDUM

This case deals with the allegation that the joint exclusive bargaining representatives for multiple facilities throughout the State of California unlawfully delayed in signing a "booklet" form of a previously-signed and ratified successor collective-bargaining agreement, with such delay continuing from November 12, 2009, until March 23, 2010, when, after effective clarification of certain side letter agreements (that were included in the booklet) had occurred, the joint representatives executed the booklet form of the previously-signed and ratified contract. Because the unions signed both the tentative, ratified contract and the subsequent booklet form of that

contract, this case does not involve an alleged unlawful failure-to-execute a labor agreement, but only deals with an alleged unlawful delay in signing the booklet version of the previously signed and ratified contract. This booklet was prepared in relevant part by the employer. However, the unions learned, prior to their signing of this booklet, that the employer -- contrary to the bargaining history and contrary to the signed tentative and ratified agreement -- was interpreting and applying the unsigned booklet language as eliminating just-cause type job-protection provisions for roughly eight hundred part-time unit employees. Because the signed and ratified tentative agreement did not remove such protections for part-time employees with at least 6 months of service, and there had been no proposals or agreement to remove such protections, the delay in signing the booklet was caused by the employer's wrongful actions and not attributable to the unions.

The ICWUC submits that the undisputed facts establish that it had a good faith basis in refusing to earlier sign the booklet version of the already-signed, ratified, and executed contract and that, as such, there was no unlawful delay, either because the previously-signed and ratified tentative agreement fully satisfied its obligations and/or because the employer-prepared draft of the booklet form of the contract -- as being interpreted and applied by the employer -- did not accurately reflect the ratified tentative agreement.^{1/}

A. Statement of Undisputed Material Facts

Paragraph 2.2(A) of the Agreement between Southern California Gas Company & Utility Workers Union of America, AFL-CIO and the International Chemical Workers Union Council, UFCW, AFL-CIO, dated January 1, 2005 ("2005-2008 CBA") defines the exclusive bargaining

^{1/}While the ICWUC is filing this motion separately, it believes that the joint representative, the Utility Workers of America, AFL-CIO ("Utility Workers"), will not be opposing the instant motion, though it and the Steering Committee will be represented separately from the ICWUC.

representative(s) for certain units of about five thousand employees covered by that CBA, including the ICWUC. (Exhibit G at p. 5-6.^{2/} The ICWUC is a joint representative as set forth in this Paragraph along with the Utility Workers Union of America, AFL-CIO (“Utility Workers”). Paragraph 2.5(A) of the 2005-2008 CBA provides that labor-management notices, that are to be served on the ICWUC, are to be served at the ICWUC’s regional office at International Chemical Workers Union Council, UFCW, AFL-CIO,^{3/} 8530 Stanton Avenue, Suite 2-C, Buena Park, California 90620. (Exhibit G at 20-21).^{4/} The 2005-2008 CBA was extended by verbal agreement after its September 30, 2008, scheduled expiration date.

On January 31, 2009, the Southern California Gas Company (“SCG” or “Company”), the Utility Workers, and the ICWUC entered into and signed a Tentative Agreement (“TA”) by which they agreed (upon ratification by the appropriate union membership) to a collective-bargaining agreement incorporating the terms of the 2005-2008 CBA as amended by the signed TA (Exhibit H). Shortly thereafter, the appropriate union membership ratified this contract and SCG was so notified. Thus, by its terms, the contract became effective. Wage rates were adjusted, grievances were processed and arbitrated, dues were deducted, etc. per this new contract. (Lewis Aff., ¶11).

As per past practice, SCG was responsible initially for merging the signed TA and prior

^{2/}In support of its motion, the ICWUC relies on the attached Affidavit of John Lewis. References to the exhibits accompany the Lewis affidavit (“Lewis Aff., ¶ ____”) will be cited as “(Exhibit ____).”

^{3/}The ICWUC is not currently affiliated with the AFL-CIO.

^{4/}The address for service on the ICWUC was changed in May, 2009, to 3200 Inland Empire Blvd., Suite 160, Ontario, CA 91764. (Exhibit I, ¶2.5(A), p. 21).

contract into more usable booklet form.^{5/} However, the unions believed that the draft booklet, that SCG first prepared and presented to the unions for signing, contained a number of differences from the signed TA, which the unions believed were substantive. This resulted in a delay in completion of the booklet, as the parties attempted to work out these draft and interpretative disputes. These differences had been resolved by November, 2009, to the ICWUC's satisfaction so that the draft booklet, in its view, more accurately reflected the substance of the signed TA than had SCG's earlier drafts. Shortly before the time, however, when the parties were to meet in November, 2009, to sign the revised booklet form of the contract, the ICWUC learned that SCG, for the first time, in an arbitration between SCG and the Utility Workers just days before, was interpreting and applying the draft of the booklet as eliminating job-protection rights for about eight hundred part-time unit employees, an elimination that the unions believed had not been proposed, discussed, agreed upon, or even addressed by the negotiators or by the signed TA. SCG was relying in part on its "housekeeping" change in the dates of two side Letters of Agreement in the draft booklet to support its position. *See* note 6 *supra*. Not surprisingly, SCG's actions caused an uproar.

The 2005-2008 CBA contained two side letters of agreement relevant to this dispute, the dates of which SCG changed in the booklet. The first of the two side letters of agreement previously was dated March 9, 1994 (Exhibit G at 189) ("1994 Letter") and the second previously had been dated January 1, 2005 (Exhibit G at 195) ("2005 Letter"). In the TA, the parties had agreed to several non-discipline related changes in each of these two letters, but no party had proposed eliminating discipline-related job protections. (Lewis Aff., ¶18)(Exhibit H, ¶23, p. 8). SCG, as a

^{5/}References herein to the "booklet" means Exhibit I, *i.e.*, the 2009-2011 Booklet, or where the context otherwise suggests, an earlier draft of this "booklet."

“housekeeping” matter per past practice, changed the dates of the 1994 Letter and 2005 Letter to March 1, 2009, in the booklet. Normally, such a change would not be considered substantive by the parties and it did not initially cause a problem. However, the ICWUC, prior to finalization and signature of the booklet, was informed that SCG was asserting that this “housekeeping” booklet change in the dates of these two letters and SCG’s rejection of a union proposal to drop (what the ICWUC saw as) superfluous language from the 1994 Letter constituted a substantial substantive change from the 2005-2008 CBA, a change that the unions had not agreed to in bargaining or in the signed TA, a change that would adversely impact the job-protection rights of about eight hundred part-time unit employees.

The 1994 Letter previously had provided that certain part-time and full-time temporary employees became unit employees after 520 hours of *continuous* employment in a 12-month period. It also provided that, “As in the past, part-time and full-time temporary employees are terminable at will.” (Exhibit G at p. 189). The TA provided that part-time employees would become unit employees with a dues-paying obligation after 520 *cumulative* (rather than *continuous*) hours of employment. There were no other changes to the 1994 Letter. (Exhibit G at 189)(Exhibit I at 190).

The 2005 Letter, *inter alia*, effectively modified the 1994 Letter so that part-time employees “with 6 months of service will be afforded all rights under Article VI for any discipline received from Section 6.3A or Section 6.3B.” (Exhibit G at p. 189 and 195) (emphasis added). Since adoption of this language, Sections 6.3A and 6.3B of the 2005-2008 CBA have been applied as a just-cause type restriction on SCG’s right to terminate part-time unit employees, who had at least 6 months of service. (Lewis Aff., ¶18)(Exhibit J). While the signed TA made changes to these two letter agreements regarding non-disciplinary matters, nothing in the signed TA suggested that the

parties had agreed to eliminate the restrictions on SCG's authority to terminate part-time unit employees, who had at least 6 months of service, nor had there been any proposals to eliminate these rights. (Lewis Aff., ¶ 18).^{6/} Consequently, since SCG now was taking the position that its most recent draft of the booklet constituted the deletion of just-cause type rights for about eight hundred employees, a major substantial change in the ICWUC's view from the TA, the ICWUC was not willing to acquiesce to such a non-bargained, unratified change. Signing the SCG-draft of the booklet under such circumstances possibly even risked an allegation that the duty of fair representation to these part-time employees had been violated. The ICWUC, therefore, would not sign the booklet on November 12, 2009.

On November 13, 2009, SCG filed a Charge against the "Joint Steering Committee of the Utility Workers Union of America and Locals 132, 170, 483, 522; and International Chemical Workers Union Council/UFCW and Local 47, 78, 350 and 995." (Exhibit A). Despite Paragraph

^{6/}Whether these rights were, or were not, eliminated by the 2009-2011 CBA currently is pending before an arbitrator in proceedings between the Utility Workers and SCG. The ICWUC understands that SCG is contending in that arbitration that the unions agreed to delete all just-cause type protections for part-time employees, even those with 6 months service. Apparently, in addition to the date-changes in the two Letters, SCG is asserting that its rejection of a union proposal to delete what the unions saw as superfluous "at-will" language in the 1994 Letter constituted an agreement to delete all job-protections established by the 2005 Letter modification to the 1994 Letter. The ICWUC believed that, since the 2005 Letter did not modify the common law "at-will" status of part-time employees until they had 6 months of service, it was unnecessary to reiterate the "at-will" status in the 1994 Letter. While SCG rejected the unions' proposal, SCG never proposed to extend the "at-will" status to part-time employees with 6 months of service and never proposed deleting the 2005 Letter (regardless of the date of that letter)(Lewis Aff., ¶18). On the other hand, the TA did provide for the removal of other letters of agreement from the new contract.. (Exhibit H, ¶¶ 36, p. 10).

Since an arbitrator in the Utility Workers arbitration will be addressing both the union's and SCG's arguments regarding the issue of the effect, if any, of the re-dating of the Letters and SCG's rejection of the unions' proposal to delete arguably superfluous language, it is unclear why the General Counsel has not deferred proceedings pending the outcome of that arbitration.

2.5(A) in both the 2005-2008 CBA and new contract, the only address listed on the Charge by SCG for service of this Charge was 7200 Greenleaf Avenue, Suite 380, Whittier, CA 90602, the address provided for in Paragraph 2.5(A) of the 2005-2008 CBA *for service on the Utility Workers*; SCG did not list on the Charge either of the ICWUC's addresses *for service of the Charge on the ICWUC*. (Exhibit A). This Charge was not mailed by the General Counsel (or SCG) to, or received at, either of the ICWUC's addresses listed in the contract for service, it was not mailed to, or received at, the ICWUC's Akron, Ohio, national headquarters, and it was not mailed to, or received by, any of the officers of the ICWUC. (Lewis Aff., ¶4).^{7/} SCG alleged in the Charge that the unions had refused to sign its prepared booklet on November 12, 2009. (Exhibit A). Initially, the ICWUC believed that the 2009-2011 booklet substantially reflected the terms of the already-effective, ratified, signed TA. The ICWUC, however, soon learned that the unsigned booklet also was being trumpeted by SCG, as described more fully elsewhere, as eliminating job-protection rights for about eight hundred part-time unit employees, something never agreed to in the TA. (Lewis Aff., ¶¶4, 10, 13-19). Under such conditions, the ICWUC could not sign the booklet until this matter was somehow adequately addressed.

On March 31, 2010, the Regional Director for NLRB Region 21 filed a Complaint. The Complaint is somewhat confusing as to who he named as respondents,^{8/} though the ICWUC, in hindsight, believes the Complaint was against the Joint Steering Committee of the Utility Workers

^{7/}This Complaint was mailed to Ed Wendel, General Counsel of the United Food & Commercial Workers at its Washington, D.C. offices, though neither the UFCW, nor Wendel, have ever been authorized to accept such service on the ICWUC, nor have any locals been authorized to accept service for the ICWUC. (Lewis Aff., ¶¶ 2 and 4).

^{8/}Some at the Utility Workers and on the Joint Steering Committee apparently may believe that only the Steering Committee was alleged to have violated the Act in the original Complaint.

Union of America, AFL-CIO, and Locals 132, 170, 483, 522 (which he referred to collectively as “Respondent Utility Workers Union”) and against the International Chemical Workers Union Council/UFCW and Locals 47, 78, 350 and 995 (which he collectively referred to as “Respondent Chemical Workers Union”), even though none of the local unions are exclusive bargaining representatives. (Exhibit C).^{9/}

On May 7, 2010, the Company filed an Amended Charge against the Utilities Workers Union of America, AFL-CIO, the International Chemical Workers Union Council/UFCW, and the UWUA-ICWUC Joint Steering Committee, dropping the various locals as respondents. (Exhibit B). As before, this Amended Charge was not mailed to, or received at, the ICWUC’s California office, was not mailed to, or received at, the ICWUC’s national headquarters in Akron, Ohio, and was not mailed to, or received by, any of the ICWUC’s officers. (Lewis Aff., ¶5).

Subsequently, on June 4, 2010, the Regional Director for NLRB Region 21 filed an Amended Complaint. In the Amended Complaint, only the Utility Workers, the ICWUC, and the UWUA-ICWUC Joint Steering Committee are alleged to have violated the Act. (Exhibit E).

The 2009-2011 Booklet was signed for the unions on March 10, 2010, and again on March 23, 2010. The ICWUC authorized the signing of the Booklet because it believed that subsequent arbitration hearing testimony of the SCG Human Resource Director, that the Utility Workers had recently described to it, now supported their view that the changes in the dates of the two letter agreements in the Booklet did not change the relationship of the 2005 Letter to the 1994 Letter (*i.e.*, that the 2005 Letter, even after being re-dated, *still* superceded and, thus, modified in relevant part

^{9/}Since the Complaint subsequently was superceded by the Amended Complaint, it now is irrelevant whether just the Joint Steering Committee was the named respondent acting on behalf of the other labor organizations and irrelevant as to what the Answer thereto asserted. (Exhibit D).

the now re-dated 1994 Letter), nor did the date-changes change the relationship of these two side letters to the collective-bargaining agreement. Only after obtaining the description of this testimony from the Utility Workers and reviewing the matter did the ICWUC agree to signing the Booklet. (Lewis Aff., ¶ 19).

ARGUMENT

The ICWUC submits that it was justified in not signing the booklet sooner and that, therefore, it did not violate the Act.^{10/} The ICWUC risked signing the Booklet *before* it obtained

^{10/}Since the booklet now has been signed, the General Counsel presumably is no longer alleging an unlawful failure by the ICWUC to execute a collective-bargaining agreement, particularly given the questionable “service” of the Charge and the Amended Charge on the ICWUC. Nevertheless, the ICWUC continues to submit that, when it signed the TA on January 31, 2009, followed shortly thereafter by ratification, this satisfied the ICWUC’s obligation to sign the contract. The ICWUC further submits that it again satisfied any arguable obligation to execute a contract when it authorized the signing of, and signed, the Booklet on March 10 and 23, 2010. Consequently, the Amended Complaint must be treated solely as an allegation of unlawful delay, not an unlawful failure to execute, since both versions of the “contract” now have been signed by the ICWUC. The question, then, of whether the original Charge was served, or timely served, on the ICWUC should be moot.

While the ICWUC strongly disagrees that the Charge or Amended Charge were served on it properly, or timely, it does acknowledge receiving a copy of the Charge or the Amended Charge (but only within the last few weeks), though not from either the NLRB or SCG, so the ICWUC believes that it has a good defense that at least part of the alleged period of delay falls outside the 10(b) period. However, since the ICWUC indirectly first received a copy of the Charge or Amended Charge on or about May 27, 2010, more than 6 months after November 12, 2009, the time period of the alleged delay, therefore, is partially within 6 months of this receipt. If such “receipt” of the Amended Charge satisfies service and due-process requirements, then the ICWUC would only have a statute of limitations defense for part of the period of the alleged unlawful delay. Therefore, the ICWUC, for purposes only of this motion and not for any other or future purposes, is not raising insufficient or untimely service of the Amended Charge, though it intends to continue to preserve these defenses in the event that this matter is remanded for hearing.

Consequently, for purposes of this case and this motion only, it will be unnecessary for the Board to address, or decide, whether mailing of the Charge or Amended Charge to the ICWUC’s parent organization, the UFCW, or mailing a copy of the Charge or Amended Charge to the Utility Workers, the Utility Workers locals and/or to the UFCW’s locals, constitute sufficient and timely

certain assurances from the Utility Workers – after the UWUA obtained and, itself, could carefully review the transcript of SCG Human Resource Director Sara Franke’s January 4, 2010, arbitration testimony – assurances that sufficiently dampened its fears about SCG’s efforts to establish an unwarranted deletion of major job-protections for part-time workers. Based in part on SCG’s “housekeeping” change in the booklet of the dates of the 1994 and 2005 Letters of Agreement, SCG already had started to apply this unsigned draft of the booklet as though the parties had agreed in the TA to eliminate hard-fought job-protections for hundreds of employees. Under such circumstances, since there had been no such proposal to eliminate these protections, let alone no meeting of the minds on this matter when the parties signed the TA, the ICWUC was more than justified in refusing to sign the draft booklet until it could obtain satisfactory evidence that supported its view that the TA -- and booklet -- had not undermined the 2005 Letter’s modification of the 1994 Letter.

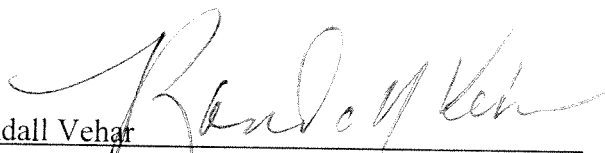
To have done otherwise and earlier signed the Booklet before receiving confirmation of the substance of Franke’s testimony risked having the Booklet – which would be signed *after* SCG had asserted its position -- interpreted and applied as though the parties had acquiesced to that interpretation and were agreeing to eliminate important job-protection rights, when the membership had never agreed to such when ratifying the TA, and it risked having the ICWUC being accused of a fair representation breach. The ICWUC was not going to assume such risks without either a fight or sufficient evidence to support its view that there had been no agreement to change the relationship

service on the ICWUC. While this case does not necessarily present a situation in which the interest of the ICWUC diverges from the interest of the Utility Workers, or from the interests of any or some of the various locals, such a fact pattern in the future might be relevant to the question of whether there has been proper and timely service on the ICWUC if service is attempted in the same fashion, as here, by the General Counsel or Charging Party, particularly given the contract’s service requirements.

of the two letters to each other. Once it obtained and was able to assess that evidence, it authorized the signing of the Booklet. It did not act unlawfully in delaying to do so. If anything, it may have acted unlawfully and in breach of its fair representation duty if it had *not* delayed in signing the Booklet.

WHEREFORE, the ICWUC respectfully requests that its motion be granted and that the Amended Complaint be dismissed in its entirety.^{11/}

Respectfully submitted,



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^{11/}Presumably, without the ICWUC's consent, the Utility Workers could not (and would not) have "executed" the 2009-2011 Booklet on its own without itself risking violating its duty of fair representation or its duty to its joint representative, the ICWUC. Thus, the Utility Workers likewise would be justified in not signing the Booklet earlier.

CERTIFICATE OF SERVICE

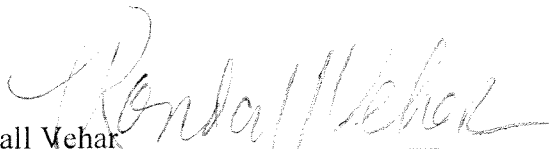
I hereby certify that on the 18th day of June, 2010, a copy of the foregoing was emailed and mailed by UPS next-business-day delivery to the following persons and was filed electronically with the Board's Washington, D.C. office:

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s/Randall Vehar
Randall Vehar, Esq.

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UTILITY **WORKERS** UNION OF AMERICA AFL-
CIO (UWUA); INTERNATIONAL CHEMICAL
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UWUA-ICWUC JOINT STEERING COMMITTEE

-and-

SOUTHERN CALIFORNIA GAS COMPANY

AFFIDAVIT OF JOHN LEWIS

I, JOHN LEWIS, hereby make the following statement:

1. I am a Vice President for Respondent, International Chemical Workers Union Council ("ICWUC"), and a Regional Director for Region 1, ICWUC. In these capacities, I provide service, when requested, for United Food and Commercial Workers ("UFCW") locals, including Local 47C, 78C, 350C, and 995C, primarily UFCW locals that are also affiliated with, though separate labor organizations from, the ICWUC.
2. The ICWUC is a separate labor organization from, though an intermediate council affiliated with, the United Food and Commercial Workers ("UFCW"). However, as compared to the UFCW, the ICWUC has its own separate convention, its own separately-elected officers, and separate headquarters. The ICWUC has its headquarters in Akron, Ohio, but does not have an office in Washington, D.C., where the UFCW headquarters is located. The ICWUC has not authorized the UFCW or any of the UFCW-chartered locals,

including UFCW Locals 47C, 78C, 350C, and 995C, to accept service of any Charge or Amended Charge on behalf of the ICWUC.

3. UFCW Locals 47C, 78C, 350C, and 995C each has its own set of bylaws that must be consistent with the UFCW Constitution and approved by the UFCW. Each of these UFCW-chartered locals has its own set of elected officers and each separately files its financial reports with the Department of Labor. The ICWUC has no authority to place any of these locals in trusteeship; only the UFCW has that authority.
4. Attached hereto as Exhibit A is a copy of the Charge filed in this case by Southern California Gas Company ("SCG"). This Charge was not served on me or on any of the officers of the ICWUC and, instead, apparently was mailed to UFCW General Counsel Ed Wendel at the UFCW's headquarters in Washington, D.C. Mr. Wendel has not been authorized by the ICWUC to accept service on behalf of the ICWUC of any legal filings against the ICWUC. The ICWUC only received a copy of this Charge on or about May 27, 2010, but not from the NLRB or from the Charging Party. It did not receive a copy of this Charge within six (6) months of January 31, 2009, or November 12, 2010.
5. Attached hereto as Exhibit B is a copy of the Amended Charge filed in this case. This Charge was not served on me or on any of the officers of the ICWUC and, instead, apparently was mailed to UFCW General Counsel Ed Wendel at the UFCW's headquarters in Washington, D.C. The ICWUC only received a copy of this Amended Charge in recent weeks, but not from the NLRB or from the Charging Party.
6. Attached hereto as Exhibit C is a copy of the Complaint and Notice of Hearing. The Complaint was not served on the ICWUC, though a copy of this Complaint was emailed

to me at some later date, but not from the NLRB or from the Charging Party, though I did not see the Complaint until the past several weeks. As far as I have been able to determine, this Complaint was not mailed by the General Counsel to me, or mailed to, or received by, any other officer of the ICWUC, the ICWUC's headquarters, or any of the addresses listed in the contracts with SCG for service on the ICWUC, from the NLRB General Counsel, though a copy was received by the Akron headquarters about May 27, 2010, from other sources.-

7. Attached hereto as Exhibit D is the Answer to the Complaint.
8. Attached hereto as Exhibit E is a copy of the Amended Complaint and Notice of Hearing.
9. Attached hereto as Exhibit F is the ICWUC's Answer to the Amended Complaint.
10. Attached hereto as Exhibit G is a copy of the Agreement Between Southern California Gas Company & Utility Workers Union of America, AFL-CIO and International Chemical Workers Union Council, UFCW, AFL-CIO dated January 1, 2005 (though the ICWUC is no longer affiliated with the AFL-CIO)(hereafter, the "2005-2008 CBA"). Paragraph 2.5(A) of this CBA provides for service of labor-management notices on the ICWUC to be sent to 8530 Stanton Avenue, Suite 2-C, Buena Park, California 90620. This address for service was changed to 3200 Inland Empire Blvd., Suite 160, Ontario, CA 91764. (Exhibit I, ¶2.5(A), p. 21). No copy of the Charge or Amended Charge in this case was ever received at – and apparently not sent to – either of these addresses.
11. Attached hereto as Exhibit H is a copy of the signed Tentative Agreement dated January 31, 2009, between the SCG, the Utility Workers Union of America, AFL-CIO ("Utility Workers"), and the ICWUC ("TA" or "Tentative Agreement"). Shortly after this TA was executed, the appropriate union membership ratified this collective-bargaining agreement,

SCG was so notified, and, thereafter, the parties to this collective-bargaining agreement (which is the 2005-2008 CBA as modified by the signed TA)(hereafter, the "2009-2011 CBA"), effectuated this CBA, including, but not limited to, provisions requiring retroactive application, applying the wage-rate changes, continuing union dues check-off, and processing and arbitrating grievances pursuant to the 2009-2011 CBA.

12. In a handbill prepared by or for SCG and apparently distributed to unit employees by SCG dated November 30, 2009, SCG stated: "The new contract has been in effect since March 1 of this year. The Company and the Union have both been adhering to the new contract even though printing is still pending."
13. For convenience purposes and consistent with past practice, the parties after January 31, 2009, were engaged in an effort to prepare a new "booklet" that reflected the 2005-2008 CBA, as amended by the TA, even though the signed TA, itself, was already being treated by the parties as the governing labor agreement.
14. Consistent with past practice, SCG had the responsibility to prepare this "booklet." Because the unions believed that SCG was attempting to make changes, through its draft of the booklet, to the signed TA, this delayed the unions' willingness to sign the draft booklet because they were not willing to modify the previously-signed and ratified TA. These differences throughout the summer of 2009 involved issues other than the part-time employee issue addressed elsewhere herein. While the differences between the signed TA and the SCG-prepared booklet had been worked out by November, 2009, to a point that the ICWUC believed that the booklet more accurately reflected the signed TA than had SCG's earlier drafts, the ICWUC discovered a major problem (described below) before the parties

signed the booklet.

15. Attached hereto as Exhibit I is the Agreement Between Southern California Gas Company and Utility Workers Union of America, AFL-CIO, and the International Chemical Workers Union Council, UFCW dated March 1, 2009 (hereafter, the "2009-2011 Booklet"), which is the "booklet" that the ICWUC eventually acquiesced in and signed, or authorized the signing of, on or about March 10 and 23, 2010.
16. To the best of my knowledge, there is no substantive difference between the signed TA (Exhibit H) and the 2009-2011 Booklet (Exhibit I). However, there are different dates for the two side Letters of Agreement at issue, that deal with part-time employees and which were dated March 9, 1994 ("1994 Letter"), and January 1, 2005 ("2005 Letter"), in the 2005-2008 CBA (Exhibit G at pp. 189 and 195), but which both were re-dated by SCG in the booklet to March 1, 2009. (Exhibit I at pp. 190 and 196). Initially, the ICWUC did not see the re-dating of these two Letters as being substantive as to the part-time employees' job-protection rights. However, the re-dating of these side letters, coupled with SCG's position on the effect of its re-dating and what SCG now was claiming was the effect of its rejection of a union proposal to eliminate what the unions believed was superfluous language, greatly contributed to the reasons for the delay in signing the 2009-2011 Booklet. SCG did not discuss the re-dating of these two letters and what it intended by the re-dating -- with the unions before re-dating them in the 2009-2011 Booklet. While SCG had not previously consulted with the ICWUC about these re-datings, the re-datings were similar to past practice "housekeeping" changes we had done in prior negotiations. However, there had never been any proposal or discussion that such "housekeeping" changes were to result in the

elimination of part-time unit employee job protections.

17. Shortly before the parties were scheduled to meet to finalize and sign the 2009-2011 Booklet in November, 2009, the ICWUC learned that SCG was taking the position in an arbitration between it and the Utility Workers, that was being held pursuant to the 2009-2011 CBA, that, because of the change in dates of the 1994 Letter and 2005 Letter in the 2009-2011 (unsigned) Booklet and because SCG had not accepted a proposal to drop what the ICWUC saw as superfluous "at-will" language in the 1994 Letter, part-time unit employees, such as what I understand was the discharged grievant, even after 6 months of service, no longer would enjoy certain just-cause type job protections established by the 2005 Letter in the 2005-2008 CBA. (The ICWUC believed the "at-will" language in the 1994 Letter was superfluous since the 2005 Letter did not grant just-cause type protection until after 6 months). Such rights were obtained only after difficult bargaining and have been acknowledged previously by SCG in arbitration. An example is the attached arbitration. (Exhibit J). Such an elimination of job-protection rights would adversely effect, the ICWUC believed, about eight hundred part-time unit employees.
18. I participated in the negotiations that led to the TA and was present for most, but not all, of the negotiation meetings. Based on my personal knowledge, as well as consultations with other union-side negotiators, it was our collective belief that such a major change in the contract, that would eliminate job protection rights for part-time unit employees, had never been proposed, discussed, or agreed on in the TA. While there had been some agreed-to changes in these two side letters of agreement, those changes had nothing to do with part-time unit employee job protections. Since the ICWUC understood that SCG in part was basing its

position that such job protections were eliminated by reason of the changing of the dates to March 1, 2009, on the two side letters of agreement in the 2009-2011 Booklet, it was not willing to concede to such a major adverse change by signing the booklet without some type of support for its position that the change in dates on these two Letters did not affect the relationship between the Letters that previously was understood, i.e., that the "at will" status of part-time unit employees described in the 1994 Letter was modified by the subsequent 2005 Letter, so that at-will part-time unit employees *after 6 months* would come under certain contractual protections in Section 6 of the contract. Otherwise the Booklet would be interpreted and applied differently in a substantial way from the terms of the TA without the employees even having an opportunity to have a ratification vote on the matter..

19. Only after the ICWUC was able to review information that the Utility Workers provided to it in February or March, 2010, regarding Sara Franke's testimony in January, 2010, in the Utility Worker arbitration described above, and fully discuss the matter, was it willing to authorize the signing of the 2009-2011 Booklet. Franke's testimony was not mailed to the Utility Workers until January 29, 2010, and I believe the discussion between the ICWUC and the Utility Workers about this testimony occurred sometime thereafter in February or March, 2010. The ICWUC agreed to the signing of the Booklet because it believed that the testimony, as described to it, of SCG Human Relations Director Franke in the Utility Worker arbitration hearing supported its view that the 2005 Letter (even though now re-dated to March 1, 2009, in the Booklet) still continued to modify the earlier 1994 Letter (though similarly re-dated) and, as such, the re-dating of the Letters now should not result in any substantive change from the TA on the part-time employee job-protection issues. The

ICWUC understands, however, that the arbitrator in the Utility Workers arbitration may resolve the issue of whether the 2009-2011 CBA deleted job-protections for part-time unit employees. I have been told that this arbitration hearing is now complete, but that briefs have not yet been filed.

20. But for SCG's wrongful effort to use its draft of the Booklet and the "housekeeping," non-substantive changes in the Letter dates to try and eliminate a major, hard-fought-for job protection benefit for about eight hundred part-time unit employees, there may have been no delay beyond November 12, 2009, in the ICWUC's signing of the Booklet.
21. The 2009-2011 Booklet actually was signed with the ICWUC's prior consent on March 10, 2010, by the Chairman of the Joint Steering Committee, but SCG wanted a meeting for additional signatures, which could not be arranged until March 23, 2010.
22. I am over the age of eighteen (18) years and I am competent to give this statement. Unless otherwise stated, my affidavit is based on personal knowledge of the facts and circumstances and a review of relevant documents.
23. Pursuant to 28 U.S.C. Section 1746, I declare, certify, verify, and state, under penalty of perjury, that the foregoing statement is true and correct.

Executed on this 18 th day of June, 2010.



s/John Lewis



70th Anniversary
1935 - 2005

United States Government
NATIONAL LABOR RELATIONS BOARD
Region 21
888 South Figueroa Street, Ninth Floor
Los Angeles, CA 90017-5449
Telephone: (213) 894-5204
Facsimile: (213) 894-2778
E-mail: NLRBRegion21@nlrb.gov

RECEIVED
NOV 17 2009

BY: _____
Resident Office: _____
555 W Beech Street - Suite 418
San Diego, CA 92101-2939
Telephone: (619) 557-6184
Facsimile: (619) 557-6358

November 16, 2009

List of parties served are listed on
ATTACHMENT 1.

Re: Joint Steering Committee of the Utility
Workers Union of America and Locals
132, 170, 483, 522; and International
Chemical Workers Union
Council/UFCW and Local 47, 78, 350
and 995 and Local 47, 78, 350 and 995
(Southern California Gas Company)
Case 21-CB-14820

Board Agent: Liz Valtierra
(213)894-5219
Liz.Valtierra@nlrb.gov

Ladies and Gentlemen:

This is to inform you that a charge, a true copy of which is enclosed, was filed in the above-entitled matter.

This case has been assigned to the above-named Board agent. When the Board agent solicits relevant evidence from you or your counsel, I request and strongly urge you or your counsel to promptly present to the Board agent any and all evidence relevant to the investigation. It is my view that a refusal to fully cooperate during the investigation might cause a case to be litigated unnecessarily. Full and complete cooperation includes, where relevant, timely providing all material witnesses under your control to a Board agent so that witnesses' statements can be reduced to affidavit form and providing all relevant documentary evidence requested by the Board agent. The submission of a position letter or memorandum or the submission of affidavits not taken by a Board agent does not constitute full and complete

Exhibit A

cooperation. Further, please be advised that we cannot accept any limitations on the use of any evidence or position statements that are provided to the Agency. Thus any claim of confidentiality cannot be honored except as provided by Exemption 4 of FOIA, 5 U.S.C. Sec. 552(b)(4), and any material submitted may be subject to introduction as evidence at any hearing that may be held before an administrative law judge. In this regard, we are required by the Federal Records Act to keep copies of documents used in furtherance of our investigation for some period of years after a case closes. Further, we may be required by the Freedom of Information Act to disclose such records upon request, absent some applicable exemption such as those that protect confidential financial information or personal privacy interests (e.g., Exemption 4 of FOIA, 5 U.S.C. Sec. 552(b)(4)). Accordingly, we will not honor any request to place limitations on our use of position statements or evidence beyond those prescribed by the foregoing laws, regulations and policies. Please state the case name and number on all correspondence.

Attention is called to your right, and the right of any party, to be represented by counsel or other representative in any proceeding before the National Labor Relations Board and the courts. In the event you choose to have a representative appear on your behalf, please complete the enclosed Form NLRB-4701, Notice of Appearance, which may be used to have your agent receive exclusive service of all documents and communications, except those expressly excluded.

Please be advised that, under the Freedom of Information Act, unfair labor practice charges and representation petitions are subject to prompt disclosure to members of the public upon request. In this regard, you may have received a solicitation by organizations or persons who have obtained public information concerning this matter and who seek to represent you before our Agency. You may be assured that no organization or person seeking your business has any "inside knowledge" or favored relationship with the National Labor Relations Board; their information regarding this matter is only that which must be made available to any member of the public.

I would appreciate receiving from you promptly a full and complete written account of the facts and a statement of your position with respect to the allegations set forth in the charge. Enclosed is a statement (Form NLRB-4541) briefly setting forth procedures followed in the processing of unfair labor practice charges, which we trust will be helpful to you.

If you are a non-English speaker and need assistance, please inform the Board agent assigned to this case.¹

¹ The National Labor Relations Board will provide assistance to individuals with limited English. If you or anyone involved in this case is in need of assistance due to their limited English, please advise this Office as soon as possible.

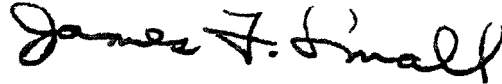
La Junta Nacional de Relaciones del Trabajo proveerá asistencia a personas con inglés limitado. Si usted necesita asistencia debido a su inglés limitado, debe avisar a esta Oficina tan pronto le sea posible

November 16, 2009

Customer service standards concerning the processing of unfair labor practice cases have been published by our Agency and are available on our Agency website at www.nlr.gov under "*Public Notices*."

Filing Documents with Regional Offices: The Agency is moving toward a fully electronic records system. To facilitate this important initiative, the Agency urges all parties to submit documents and other materials (except unfair labor practice charges and representation petitions) to the Regional Offices through the Agency's E-Filing system on its website: <http://www.nlr.gov> (See Attachment to this letter for instructions). Of course, the Agency will continue to accept timely filed paper documents.

Very truly yours,



James F. Small
Regional Director

Enclosures

cc: Ellen S. Greenstone, Attorney at Law
Rothner, Segall, Greenstone & Leheny
510 South Marengo Avenue
Pasadena, CA 91101-3115

Edward P. Wendel, General Counsel
United Food and Commercial Workers
International Union
1775 K Street, NW
Washington, DC 20006

Christopher Bissonnette, Attorney at Law
Southern California Gas Company
555 West Fifth Street
P.O. Box 513247, GT15HO
Los Angeles, CA 90013

JFS/hta

ATTACHMENT 1

Joint Steering Committee of the Utility
AFL-CIO
7200 Greenleaf Avenue, Suite 380
Whittier, CA 90602

Utility Workers Union of America,
Local 170, AFL-CIO
3817 West Payson Avenue
Visalia, CA 93291

Utility Workers Union of America,
Local 522, AFL-CIO
P.O. Box 881749
Los Angeles, CA 90009-9998

Utility Workers Union of America,
Local 483, AFL-CIO
P.O. Box 1532
Ventura, CA 93002-1532

International Chemical Workers Union
Council/United Food and Commercial
Workers Local 47
1966 West Monte Court
Porterville, CA 93257

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 78
11768 White Mountain Court
Rancho Cucamonga, CA 91737

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 350
250 East Belmont Avenue
Rialto, CA 92377-4738

International Chemical Workers Union
Council/United Food and Commercial
Workers, International Union, Local 995
113 West Commercial Street
San Dimas, CA 91773

Re: Joint Steering Committee of the Utility
Workers Union of America and Locals
132, 170, 483, 522; and International
Chemical Workers Union
Council/UFCW and Local 47, 78, 350
and 995 and Local 47, 78, 350 and 995
(Southern California Gas Company)
Case 21-CB-14820

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD
CHARGE AGAINST LABOR ORGANIZATION
OR ITS AGENTS

FORM EXEMPT UNDER 44 U.S.C. 3512

DO NOT WRITE IN THIS SPACE	
Case 21-CB-14820	Date Filed 11-13-09

INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.

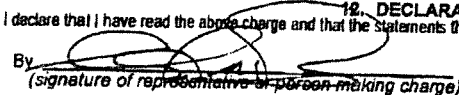
1. LABOR ORGANIZATION OR ITS AGENTS AGAINST WHICH CHARGE IS BROUGHT

a. Name Joint Steering Committee of the Utility Workers Union of America and Locals 132, 170, 483, 522; and International Chemical Workers Union Council/UFCW and Local 47, 78, 350, and 995.		b. Union Representative to contact John Duffy, Chair of the Joint Steering Committee	
c. Address (Street, city, state, and ZIP code) 7200 Greenleaf Avenue, Suite 380 Whittier, CA 90602		d. Tel. No. (562)696-0142	e. Cell No.
		f. Fax No. (562)696-0374	g. e-Mail uwua@uwua132.org
h. The above-named organization(s) or its agents has (have) engaged in and is (are) engaging in unfair labor practices within the meaning of section 8(b), subsection(s) (list subsections) 3 of the National Labor Relations Act, and these unfair labor practices are unfair practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.			

2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices)
SCG and the Union agreed to a new CBA which was memorialized in a tentative agreement (TA) signed by the Union on 1/31/09 and ratified on or about 2/25/09. The TA contained strike-through language agreed to by both parties for all major issues but one (i.e., an agreement pertaining to sick time benefits). This single remaining issue was resolved after the new agreement was ratified. The Union reviewed several comprehensive drafts of the new CBA, suggesting only minor edits. The parties reached full agreement on all terms and scheduled the Union's Joint Steering Committee (JSC) to meet on 11/12/09 for a final proofreading of the agreement and to sign it. The Union refused, stating for the first time that it would not sign unless the Company altered a major letter agreement on part-time "at will" status that has been in the CBA since 1994 and was the subject of a union proposal rejected during 2008 negotiations as reflected in the 2009 TA signed by the Union. The Union stated that unless the Company altered the previously-agreed upon letter agreement which is part of the CBA, the Union would not sign the CBA despite their agreement on all terms in violation of Section 8(d).

3. Name of Employer Southern California Gas Company		4a. Tel. No. (213)244-2946	b. Cell No.
		c. Fax No. (213)629-9620	d. e-Mail cbissonnette@sempra.com
5. Location of plant involved (street, city, state and ZIP code) 555 West. Fifth Street, Los Angeles, CA 90013		6. Employer representative to contact Christopher Bissonnette	
7. Type of establishment (factory, mine, wholesaler, etc.) Utility	8. Identify principal product or service Natural Gas	9. Number of workers employed 5,800	

10. Full name of party filing charge Southern California Gas Company		11a. Tel. No. (213)244-2946	b. Cell No.
		c. Fax No. (213)629-9620	d. e-Mail
11. Address of party filing charge (street, city, state and ZIP code.) 555 West. Fifth Street, Los Angeles, CA 90013			

12. DECLARATION
I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.
By  Christopher Bissonnette
(signature of representative of person making charge) (Print/Type name and title or office, if any)

555 West. Fifth Street, Los Angeles, CA 90013

Address _____ (date)

Tel. No. (213)244-2946
Cell No.
Fax No. (213)629-9620
e-Mail cbissonnette@sempra.com

WILLFUL FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

PRIVACY ACT STATEMENT

Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing unfair labor practice and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary; however, failure to supply the information will cause the NLRB to decline to invoke its processes.



70th Anniversary
1935 - 2005

United States Government

NATIONAL LABOR RELATIONS BOARD

Region 21

888 South Figueroa Street, Ninth Floor

Los Angeles, CA 90017-5449

Telephone: (213) 894-5204

Facsimile: (213) 894-2778

E-mail: NLRBRegion21@nrlb.gov

Resident Office:

555 W Beech Street - Suite 418

San Diego, CA 92101-2939

Telephone: (619) 557-6184

Facsimile: (619) 557-6358

May 10, 2010

Letter and charge are served on all parties named on the Attachment.

Re: Utility Workers Union of America, AFL-CIO (UWUA); International Chemical Workers Union Council-UFCW (ICWUC); and the UWUA-ICWUC Joint Steering Committee
(Southern California Gas Company)
Case 21-CB-14820

FILING OF AMENDED CHARGE

Ladies and Gentlemen:

An amended charge in the above-entitled matter alleging the commission of unfair labor practices within the meaning of the National Labor Relations Act, as amended, has been filed with this office. A copy of the amended charge is herewith served upon you.

You are requested to submit promptly a complete written account of the facts and a statement of your position in respect to the allegations set forth in the charge. All communications and submissions should be made to the Board Agent indicated below.

The case has been assigned to Board Agent Irma Hernandez, Telephone: (213)894-5236, email: Irma.Hernandez@nrlb.gov. Your cooperation with the assigned staff member and this office is invited so that facts of the case may be considered.

Customer service standards concerning the processing of unfair labor practice cases have been published by the Agency and are available upon request from the Regional Office.

Very truly yours,

James F. Small
Regional Director

Enclosures

cc: (See next page.)

Exh. b. + B

May 10, 2010

cc: Ellen S. Greenstone, Attorney at Law
Rothner, Segall, Greenstone & Leheny
510 South Marengo Avenue
Pasadena, CA 91101-3115

Edward P. Wendel, General Counsel
United Food and Commercial Workers
International Union
1775 K Street, NW
Washington, DC 20006

JFS/hta

ATTACHMENT

Utility Workers Union of America,
AFL-CIO
815 16th Street, NW
Washington, DC 20006

Joint Steering Committee of the Utility
Workers Union of America, AFL-CIO
7200 Greenleaf Avenue, Suite 380
Whittier, CA 90602

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 47
1966 West Monte Court
Porterville, CA 93257

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 78
11768 White Mountain Court
Rancho Cucamonga, CA 91737

International Chemical Workers Union
Council/United Food and Commercial
Workers, International Union, Local 350
250 East Belmont Avenue
Rialto, CA 92377-4738

International Chemical Workers Union
Council/United Food and Commercial
Workers, International Union, Local 995
1113 West Commercial Street
San Dimas, CA 91773

Utility Workers of America, Local 170,
AFL-CIO
3817 West Payson Avenue
Visalia, CA 93291

Utility Workers Union of America,
Local 522, AFL-CIO
P.O. Box 881749
Los Angeles, CA 90009-9998

Utility Workers Union of America,
Local 483, AFL-CIO
P.O. Box 1532
Ventura, CA 93002-1532

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD
**AMENDED CHARGE AGAINST LABOR ORGANIZATION
OR ITS AGENTS**

FORM EXEMPT UNDER 44 U.S.C. 3612

DO NOT WRITE IN THIS SPACE

Case 21-CB-14820	Date Filed 5-7-10
----------------------------	-----------------------------

INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.

1. LABOR ORGANIZATION OR ITS AGENTS AGAINST WHICH CHARGE IS BROUGHT

a. Name Utility Workers Union of America, AFL-CIO (UWUA); International Chemical Workers Union Council-UFCW (ICWUC); and the UWUA-ICWUC Joint Steering Committee		b. Union Representative to contact John Duffy, Chair of the Joint Steering Committee	
c. Address (Street, city, state, and ZIP code) 7200 Greenleaf Avenue, Suite 380, Whittier, CA 90602		d. Tel. No. (562) 696-0142	e. Cell No.
		f. Fax No. (562) 696-0374	g. e-Mail uwua@uwua132.org
h. The above-named organization(s) or its agents has (have) engaged in and is (are) engaging in unfair labor practices within the meaning of section 8(b), subsection(s) (list subsections) (3) of the National Labor Relations Act, and these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.			

2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices)
SCG and the Union agreed to a new CBA which was memorialized in a tentative agreement (TA) signed by the Union on 1/31/09 and ratified on or about 2/25/09. The TA contained strike-through language agreed to by both parties for all major issues but one (i.e., an agreement pertaining to sick time benefits). This single remaining issue was resolved after the new agreement was ratified. The Union reviewed several comprehensive drafts of the new CBA, suggesting only minor edits. The parties reached full agreement on all terms and scheduled the Union's Joint Steering Committee (JSC) to meet on 11/12/09 for a final proofreading of the agreement and to sign it. The Union refused, stating for the first time that it would not sign unless the Company altered a major letter agreement on part-time "at will" status that has been in the CBA since 1994 and was the subject of a union proposal rejected during 2008 negotiations as reflected in the 2008 TA signed by the Union. The Union stated that unless the Company altered the previously-agreed upon letter agreement which is part of the CBA, the Union would not sign the CBA despite their agreement on all terms in violation of Section 8(d). From on or about November 12, 2009, to on or about March 23, 2010, the Union failed and refused to execute and delayed in executing the CBA.

3. Name of Employer Southern California Gas Company		4a. Tel. No. (213)244-2946	b. Cell No.
		c. Fax No. (213)629-9620	d. e-Mail cbissonnette@sempra.com
5. Location of plant involved (street, city, state and ZIP code) 555 W. Fifth Street, Los Angeles, CA 90013		6. Employer representative to contact Christopher Bissonnette	
7. Type of establishment (factory, mine, wholesaler, etc.) Utility	8. Identify principal product or service Natural gas	9. Number of workers employed 5,800	
10. Full name of party filing charge Southern California Gas Company		11a. Tel. No. (213)244-2946	b. Cell No.
		c. Fax No. (213)629-9620	d. e-Mail
11. Address of party filing charge (street, city, state and ZIP code.) 555 W. Fifth Street, Los Angeles, CA 90013			

12. DECLARATION
I declare that I have read the above charge and that the statements therein are true to the best of my knowledge and belief.

By  **Christopher Bissonnette**
(signature of representative or person making charge) (Print/Type name and title or office, if any)

555 W. Fifth Street, Los Angeles, CA 90013

Address _____ (date) **5-6-10**

Tel. No.
(213) 244-2946
Cell No.
Fax No.
(213) 629-9620
e-Mail

WILLFUL FALSE STATEMENTS ON THIS CHARGE CAN BE PUNISHED BY FINE AND IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001)

PRIVACY ACT STATEMENT
Solicitation of the information on this form is authorized by the National Labor Relations Act (NLRA), 29 U.S.C. § 151 et seq. The principal use of the information is to assist the National Labor Relations Board (NLRB) in processing unfair labor practice and related proceedings or litigation. The routine uses for the information are fully set forth in the Federal Register, 71 Fed. Reg. 74942-43 (Dec. 13, 2006). The NLRB will further explain these uses upon request. Disclosure of this information to the NLRB is voluntary; however, failure to supply the information will cause the NLRB to decline to invoke its processes.

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
Region 21

JOINT STEERING COMMITTEE OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO, AND LOCALS 132, 170, 483,
AND 522; AND INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL/UFCW AND
LOCALS 47, 78, 350, AND 995

and

Case 21-CB-14820

SOUTHERN CALIFORNIA GAS COMPANY

COMPLAINT
AND
NOTICE OF HEARING

Southern California Gas Company, herein called the Employer, has charged that the Joint Steering Committee of the Utility Workers Union of America, AFL-CIO, and Locals 132, 170, 483, and 522, herein collectively called Respondent Utility Workers Union; and the International Chemical Workers Union Council/UFCW and Locals 47, 78, 350, and 995, herein collectively called Respondent Chemical Workers Union, and together with Respondent Utility Workers Union called Respondents, have been engaging in unfair labor practices as set forth in the National Labor Relations Act, 29 U.S.C. § 151 et seq., herein called the Act. Based thereon, the General Counsel, by the undersigned, pursuant to Section 10(b) of the Act and Section 102.15 of the Rules and Regulations of the National Labor Relations Board, herein called the Board, issues this Complaint and Notice of Hearing and alleges as follows:

Exhibit C

1. The charge in this proceeding was filed by the Employer on November 13, 2009, and a copy was separately served on Respondent Utility Workers Union, Respondent Chemical Workers Union, and their respective Local Unions, by regular mail on November 16, 2009.

2. (a) At all material times, the Employer, a California corporation, with an office and principal place of business located at 555 West Fifth Street, Los Angeles, California, and various facilities in California, has been a public utility engaged in the generation and distribution of natural gas.

(b) During the 12-month period ending March 30, 2010, a representative period, the Employer, in conducting its business operations described above in paragraph 2(a), derived gross revenue in excess of \$250,000 and purchased and received at its California facilities goods valued in excess of \$50,000 directly from points outside the State of California.

3. At all material times, the Employer has been an employer engaged in commerce within the meaning of Section 2(2), (6) and (7) of the Act.

4. At all material times, Respondent Utility Workers Union, Respondent Chemical Workers Union, their respective Local Unions, and each of them individually, have been labor organizations within the meaning of Section 2(5) of the Act.

5. At all material times, Helen Olague-Pimental held the position of Joint Steering Committee Acting Chair for Respondent Utility Workers Union, and has been an agent of Respondent Utility Workers Union within the meaning of Section 2(13) of the Act.

6. The employees of the Employer in the unit referred to in Section 2.2(A) of the collective-bargaining agreement noted below in paragraph 7, herein called the Unit, constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9(b) of the Act.

7. (a) Since at least May 2005, and at all material times, Respondents have been the designated joint exclusive collective-bargaining representative of the Unit and since then Respondents have been recognized as the joint representative by the Employer. This recognition has been embodied in a series of collective-bargaining agreements, the most recent of which is effective by its terms from March 1, 2009, through September 30, 2011.

(b) At all times since at least May 2005, based on Section 9(a) of the Act, Respondents have been the joint exclusive collective-bargaining representative of the Unit.

8. (a) On or about January 31, 2009, the Employer and Respondents reached complete agreement on terms and conditions of employment of the Unit to be incorporated in a collective-bargaining agreement, which by its terms was to become effective on March 1, 2009.

(b) Since on or about November 12, 2009, the Employer has requested that Respondents execute a written contract embodying the agreement described above in paragraph 8(a).

(c) From on or about November 12, 2009, to on or about March 23, 2010, Respondents failed and refused to execute and delayed in executing the agreement described above in paragraph 8(a).

9. By the conduct described above in paragraph 8(c), Respondents have been failing and refusing to bargain collectively and in good faith with an employer in violation of Section 8(b)(3) of the Act.

10. The unfair labor practices of Respondents described above affect commerce within the meaning of Section 2(6) and (7) of the Act.

ANSWER REQUIREMENT

Respondents are notified that, pursuant to Sections 102.20 and 102.21 of the Board's Rules and Regulations, they must each file an answer to the complaint. The answers must be received by this office on or before April 14, 2010, or postmarked on or before April 13, 2010. Respondents should file an original and four copies of the answer with this office and serve a copy of the answer on each of the other parties.

An answer may also be filed electronically by using the E-filing system on the Agency's website. In order to file an answer electronically, access the Agency's website at <http://www.nlr.gov>, click on **E-Gov**, then click on the **E-Filing** link on the pull-down menu. Click on the "File documents" button under Regional, Subregional and Resident Offices and then follow the directions. The responsibility for the receipt and usability of the answer rests exclusively on the sender. Unless notification on the Agency's website informs users that the Agency's E-Filing system is officially determined to be in technical failure because it is unable

to receive documents for a continuous period of more than 2 hours after 12:00 noon (Eastern Time) on the due date for filing, a failure to timely file the answer will not be excused on the basis that the transmission could not be accomplished because the Agency's website was off-line or unavailable for some other reason. The Board's Rules and Regulations require that an answer be signed by counsel or a non-attorney representative for represented parties or by the party if not represented. Section 102.21. If the answer being filed electronically is a pdf document containing the required signature, no paper copies of the document need to be transmitted to the Regional Office. However, if the electronic version of an answer to a complaint is not a pdf file containing the required signature, then the E-filing rules requires that such answer containing the required signature be submitted to the Regional Office by traditional means within three (3) business days after the date of electronic filing.

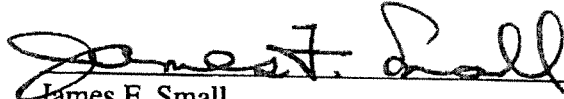
Service of the answer on each of the other parties must still be accomplished in conformance with the requirements of Section 102.114 of the Board's Rules and Regulations. The answer may not be filed by facsimile transmission. If no answer is filed or if an answer is filed untimely, the Board may find pursuant to a Motion for Default Judgment, that the allegations in the complaint are true.

NOTICE OF HEARING

PLEASE TAKE NOTICE THAT during the calendar call commencing at 1:00 p.m., PST, on the 28th day of June, 2010, a hearing will be conducted before an Administrative Law Judge of the National Labor Relations Board in Hearing Room 902, 888 South Figueroa Street, Ninth Floor, Los Angeles, California. At the hearing, Respondents and any other party to this proceeding have the right to appear and present testimony regarding the allegations in this complaint. The procedures to be followed at the hearing are described in the attached Form

NLRB-4668. The procedure to request a postponement of the hearing is described in the attached Form NLRB-4338. The precise order of all cases to be heard on the calendar call will be determined no later than the close of business on the Friday preceding the calendar call.

Dated at Los Angeles, California, this 31st day of March, 2010.

A handwritten signature in black ink, appearing to read "James F. Small", written over a horizontal line.

James F. Small
Regional Director, Region 21
National Labor Relations Board
888 South Figueroa Street, Ninth Floor
Los Angeles, CA 90017

Attachments

1 ELLEN GREENSTONE
2 ROTHNER, SEGALL, GREENSTONE & LEHENY
3 510 South Marengo Avenue
4 Pasadena, California 91101-3115
5 Telephone: (626) 796-7555
6 Facsimile: (626) 577-0124
7 E-mail: egreenstone@rsgllabor.com

8
9 Attorneys for Respondent Joint Steering
10 Committee of the Utility Workers Union of
11 America, AFL-CIO, and Locals 132, 170, 483,
12 and 522; and International Chemical Workers
13 Union Council/UFCW and Locals 47, 78, 350, and 995

14 UNITED STATES OF AMERICA
15
16 BEFORE THE NATIONAL LABOR RELATIONS BOARD
17
18 Region 21

19 JOINT STEERING COMMITTEE OF THE
20 UTILITY WORKERS UNION OF AMERICA,
21 AFL-CIO, AND LOCALS 132, 170, 483, AND
22 522; AND INTERNATIONAL CHEMICAL
23 WORKERS UNION COUNCIL/UFCW AND
24 LOCALS 47, 78, 350, AND 995,

CASE NO. 21-CB-14820

25 and

26 SOUTHERN CALIFORNIA GAS COMPANY
27
28

29 ANSWER TO COMPLAINT OF RESPONDENT JOINT STEERING COMMITTEE
30 OF THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO,
31 AND LOCALS 132, 170, 483, AND 522; AND INTERNATIONAL CHEMICAL
32 WORKERS UNION COUNCIL/UFCW AND LOCALS 47, 78, 350, AND 995

33 Respondent JOINT STEERING COMMITTEE OF THE UTILITY WORKERS UNION
34 OF AMERICA, AFL-CIO, AND LOCALS 132, 170, 483, AND 522; AND INTERNATIONAL
35 CHEMICAL WORKERS UNION COUNCIL/UFCW AND LOCALS 47, 78, 350, AND 995,

1 individually and collectively (hereinafter "JSC"), in response to the Complaint dated March 31,
2 2010, in the above-captioned matter, admits, denies, and alleges as follows:

3 1. Respondent admits that an unfair labor practice charge was filed by Southern
4 California Gas Company ("Employer"). Except as expressly admitted, Respondent is without
5 sufficient information to admit or deny the remaining allegations in paragraph 1 of the Complaint
6 and, on that basis, denies each and every such allegation.

7 2. (a) Respondent admits the allegations of paragraph 2(a) of the Complaint.

8 (b) Respondent admits the allegations of paragraph 2(b) of the Complaint.

9 3. Respondent admits the allegations of paragraph 3 of the Complaint.

10 4. Respondent admits the allegations of paragraph 4 of the Complaint.

11 5. Respondent admits that Helen Olague-Pimentel served as a member of the JSC.
12 Except as expressly admitted, Respondent denies the remaining allegations of paragraph 5 of the
13 Complaint.

14 6. Respondent admits the allegations of paragraph 6 of the Complaint.

15 7. (a) Respondent admits the allegations of paragraph 7(a) of the Complaint.

16 (b) Respondent admits the allegations of paragraph 7(b) of the Complaint.

17 8. (a) Respondent admits that, on or about January 31, 2009, the Employer and
18 Respondent reached complete agreement on terms and conditions of employment of employees
19 in the Unit and that such agreement was embodied in a written agreement executed by
20 Respondent and the Employer on January 31, 2009. Except as expressly admitted, Respondent
21 denies the remaining allegations of paragraph 8(a) of the Complaint.

22 (b) Respondent denies the allegations of paragraph 8(b) of the Complaint.

23 (c) Respondent denies the allegations of paragraph 8(c) of the Complaint.

24 9. Respondent denies the allegations of paragraph 9 of the Complaint.

25 10. Respondent denies the allegations of paragraph 10 of the Complaint.

26 **AFFIRMATIVE DEFENSES**

27 1. The Complaint fails to state facts sufficient to constitute a violation of the
28 National Labor Relations Act, as amended.

1 2. The Complaint is barred in whole or in part by the statute of limitations in Section
2 10(b) of the Act. To the extent the Complaint alleges that the January 31, 2009, written
3 agreement was not a valid, written, executed collective bargaining agreement embodying the
4 terms and conditions of employment of employees in the Unit agreed upon by the Employer and
5 Respondent, the charge filed in this matter was filed more than six (6) months after January 31,
6 2009.

7 WHEREFORE, Respondent requests the following relief:

- 8 1. That the Complaint be dismissed in its entirety;
9 2. That the Charging Party and Counsel for the General Counsel take nothing by way
10 of the Complaint;
11 3. That Respondent be awarded its attorneys' fees and costs herein;
12 4. For such other and further relief as the Administrative Law Judge and/or Board
13 deem just and proper.

14
15 DATED: April 13, 2010

ELLEN GREENSTONE
ROTHNER, SEGALL, GREENSTONE & LEHENY

17
18 By 
ELLEN GREENSTONE

19 Attorneys for Respondent Joint Steering Committee of the
20 Utility Workers Union of America, AFL-CIO, and Locals
21 132, 170, 483, and 522; and International Chemical
Workers Union Council/UFCW and Locals 47, 78, 350, and
22 995
23
24
25
26
27
28

Re: Joint Steering Committee of the Utility Workers Union of America, AFL-CIO,
and Locals 132, 170, 483, and 522; and International Chemical Workers Union
Council/UFCW and Locals 47, 78, 350, and 995
Case No.21-CB-14820

CERTIFICATE OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action; my business address is 510 South Marengo Avenue, Pasadena, California 91101.

On April 13, 2010, I served the foregoing document described as ANSWER TO COMPLAINT OF RESPONDENT JOINT STEERING COMMITTEE OF THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO, AND LOCALS 132, 170, 483, AND 522; AND INTERNATIONAL CHEMICAL WORKERS UNION COUNCIL/UFCW AND LOCALS 47, 78, 350, AND 995 on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Southern California Gas Company
555 West Fifth Street
Post Office Box 513247, GT15HO
Los Angeles, California 90013

Christopher M. Bissonnette, Esq.
Southern California Gas Company
555 West Fifth Street
Los Angeles, California 90013

(By Mail)



I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice I place all envelopes to be mailed in a location in my office specifically designated for mail. The mail then would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Pasadena, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing affidavit. Executed on April 13, 2010.

I declare under penalty of perjury that the foregoing is true and correct.



DOROTHY-A. MARTINEZ

UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
NOTICE

Case 21-CB-14820

Page 1 of 2

The issuance of the notice of formal hearing in this case does not mean that the matter cannot be disposed of by agreement of the parties. On the contrary, it is the policy of this office to encourage voluntary adjustments. The examiner or attorney assigned to the case will be pleased to receive and to act promptly upon your suggestions or comments to this end. An agreement between the parties, approved by the Regional Director, would serve to cancel the hearing.

However, unless otherwise specifically ordered, the hearing will be held at the date, hour, and place indicated. Postponements **will not be granted** unless good and sufficient grounds are shown **and** the following requirements are met:

- (1) The request must be in writing. An original and two copies must be served on the Regional Director;
- (2) Grounds thereafter must be set forth in **detail**;
- (3) Alternative dates for any rescheduled hearing must be given;
- (4) The positions of all other parties must be ascertained in advance by the requesting party and set forth in the request; **and**
- (5) Copies must be simultaneously served on all other parties (listed below), and that fact must be noted on the request.

Except under the most extreme conditions, no request for postponement will be granted during the three days immediately preceding the date of hearing.

UWUA-ICWUC Joint Steering Committee
7200 Greenleaf Avenue, Suite 380
Whittier, CA 90602
(7003 0500 0004 8022 5567)

Utility Workers Union of America, AFL-CIO
1815 16th Street, NW
Washington, DC 20006

International Chemical Workers Union
Council-UFCW
1799 Akron Peninsula Road
Akron, OH 44313

Utility Workers Union of America,
Local 132, AFL-CIO
7200 Greenleaf Avenue, Suite 380
Whittier, CA 90602

Utility Workers Union of America,
Local 170, AFL-CIO
3817 West Payson Avenue
Visalia, CA 93291

Utility Workers Union of America,
Local 522, AFL-CIO
P.O. Box 881749
Los Angeles, CA 90009-9998

Utility Workers Union of America,
Local 483, AFL-CIO
P.O. Box 1532
Ventura, CA 93002-1532

International Chemical Workers Union Council/United
Food and Commercial Workers Local 47
1966 West Monte Court
Porterville, CA 93257

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 78
11768 White Mountain Court
Rancho Cucamonga, CA 91737

Eph. b. f. F

UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
NOTICE

Case 21-CB-14820

Page 2 of 2

The issuance of the notice of formal hearing in this case does not mean that the matter cannot be disposed of by agreement of the parties. On the contrary, it is the policy of this office to encourage voluntary adjustments. The examiner or attorney assigned to the case will be pleased to receive and to act promptly upon your suggestions or comments to this end. An agreement between the parties, approved by the Regional Director, would serve to cancel the hearing.

International Chemical Workers Union
Council/United Food and Commercial
Workers International Union, Local 350
250 East Belmont Avenue
Rialto, CA 92377-4738

Southern California Gas Company
555 West Fifth Street
P.O. Box 513247, GT15HO
Los Angeles, CA 90013

International Chemical Workers Union
Council/United Food and Commercial
Workers, International Union, Local 995
113 West Commercial Street
San Dimas, CA 91773

Christopher M. Bissonnette, Attorney
Southern California Gas Company
555 West Fifth Street,
Los Angeles, CA 90013

Randall Vehar, Attorney at Law
ICWUC/UFCW Assistant General Counsel
1799 Akron-Peninsula Road, Third Floor,
Room 6
Akron, OH 44313

Robert Lowrey, Attorney at Law
ICWUC/UFCW Assistant General Counsel
1799 Akron-Peninsula Road, Third Floor,
Room 6
Akron, OH 44313

Ellen S. Greenstone, Attorney at Law
Rothner, Segall, Greenstone & Leheny
510 South Marengo Avenue
Pasadena, CA 91101-4115

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
Region 21

UTILITY WORKERS UNION OF AMERICA,
AFL-CIO (UWUA); INTERNATIONAL
CHEMICAL WORKERS UNION
COUNCIL-UFCW (ICWUC); AND
THE UWUA-ICWUC JOINT STEERING
COMMITTEE

and

Case 21-CB-14820

SOUTHERN CALIFORNIA GAS COMPANY

AMENDED COMPLAINT
AND
NOTICE OF HEARING

Upon a charge filed by Southern California Gas Company, herein called the Employer, a Complaint and Notice of Hearing issued on March 31, 2010, against the Joint Steering Committee of the Utility Workers Union of America, AFL-CIO, and Locals 132, 170, 483, and 522; and International Chemical Workers Union Council/UFCW and Locals 47, 78, 350, and 995.

The Employer, in an amended charge, has charged that Utility Workers Union of America, AFL-CIO (UWUA), herein called Respondent UWUA; International Chemical Workers Union Council-UFCW (ICWUC), herein called Respondent ICWUC; and the UWUA-ICWUC Joint Steering Committee, herein called Respondent JSC, and together with Respondent UWUA and Respondent ICWUC collectively called Respondents, have been engaging in unfair labor practices as set forth in the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq., herein

called the Act. Based thereon, the General Counsel, by the undersigned, pursuant to Section 10(b) of the Act and Sections 102.15 and 102.17 of the Rules and Regulations of the National Labor Relations Board, herein called the Board, issues this Amended Complaint and Notice of Hearing and alleges as follows:

1. (a) The original charge in this proceeding was filed by the Employer on November 13, 2009, and a copy was separately served on the Joint Steering Committee of the Utility Workers Union of America, AFL-CIO, and Locals 132, 170, 483, and 522; and on Respondent ICWUC, and Locals 47, 78, 350, and 995, by regular mail on November 16, 2009.

(b) The amended charge in this proceeding was filed by the Employer on May 7, 2010, and a copy was separately served on Respondents by regular mail on May 10, 2010.

2. (a) At all material times, the Employer, a California corporation, with an office and principal place of business located at 555 West Fifth Street, Los Angeles, California, and various facilities in California, has been a public utility engaged in the generation and distribution of natural gas.

(b) During the 12-month period ending March 30, 2010, a representative period, the Employer, in conducting its business operations described above in paragraph 2(a), derived gross revenue in excess of \$250,000 and purchased and received at its California facilities goods valued in excess of \$50,000 directly from points outside the State of California.

3. At all material times, the Employer has been an employer engaged in commerce within the meaning of Section 2(2), (6) and (7) of the Act.

4. At all material times, Respondent UWUA and Respondent ICWUC, and each of them individually, have been labor organizations within the meaning of Section 2(5) of the Act.

5. At all material times, Respondent JST has been an agent of both Respondent UWUA and Respondent ICWUC.

6. (a) At all material times, the following individuals held the positions set forth opposite their respective names, and have been agents of Respondent UWUA within the meaning of Section 2(13) of the Act.

Helen Olague-Pimental	JSC member & JSC Acting Chair
Bernie Garcia	JSC member & National Region 5 Director of UWUA
Louis Correa	JSC member & President of UWUA, Local 132
John Duffy	JSC member & National Vice President of UWUA
Kenneth J. Balderama	JSC member from UWUA, Local 132
Arturo Frias	JSC member from UWUA, Local 132
Nancy Logan	JSC member from UWUA, Local 132
Randy Fort	JSC member from UWUA, Local 170
Gary C. Lerch	JSC member & President of UWUA, Local 483
David E. Sherman	JSC member & President of UWUA, Local 522

(b) At all material times, the following individuals held the positions set forth opposite their respective names, and have been agents of Respondent ICWUC within the meaning of Section 2(13) of the Act.

John Lewis	JSC member & Vice President of ICWUC
Richard T. Lankford	JSC member & President of ICWUC, Local 47
George Garcia	JSC member from ICWUC, Local 78
Marvin E. Turner	JSC member & President of ICWUC, Local 350
Jacquelin R. Allen	JSC member & President of ICWUC, Local 995

7. The employees of the Employer in the unit referred to in Section 2.2(A) of the collective-bargaining agreement noted below in paragraph 8, herein called the Unit, constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9(b) of the Act.

8. (a) Since at least May 2005, and at all material times, Respondent UWUA and Respondent ICWUC have been the designated joint exclusive collective-bargaining representative of the Unit and since then both Respondent UWUA and Respondent ICWUC have been recognized as the joint representative by the Employer. This recognition has been embodied in a series of collective-bargaining agreements, the most recent of which is effective by its terms from March 1, 2009, through September 30, 2011.

(b) At all times since at least May 2005, based on Section 9(a) of the Act, Respondent UWUA and Respondent ICWUC have been the joint exclusive collective-bargaining representative of the Unit.

9. (a) On or about January 31, 2009, the Employer and Respondents reached complete agreement on terms and conditions of employment of the Unit to be incorporated in a collective-bargaining agreement, which by its terms was to become effective on March 1, 2009.

(b) Since on or about November 12, 2009, the Employer has requested that Respondents execute a written contract embodying the agreement described above in paragraph 9(a).

(c) From on or about November 12, 2009, to on or about March 23, 2010, Respondents failed and refused to execute and delayed in executing the agreement described above in paragraph 9(a).

10. By the conduct described above in paragraph 9(c), Respondents have been failing and refusing to bargain collectively and in good faith with an employer in violation of Section 8(b)(3) of the Act.

11. The unfair labor practices of Respondents described above affect commerce within the meaning of Section 2(6) and (7) of the Act.

ANSWER REQUIREMENT

Respondents are notified that, pursuant to Sections 102.20 and 102.21 of the Board's Rules and Regulations, they must each file an answer to the amended complaint. The answers must be received by this office on or before June 18, 2010, or postmarked on or before June 17, 2010. Respondents should file an original and four copies of the answer with this office and serve a copy of the answer on each of the other parties.

An answer may also be filed electronically by using the E-filing system on the Agency's website. In order to file an answer electronically, access the Agency's website at <http://www.nlr.gov>, click on **E-Gov**, then click on the **E-Filing** link on the pull-down menu. Click on the "File documents" button under Regional, Subregional and Resident Offices and then follow the directions. The responsibility for the receipt and usability of the answer rests exclusively on the sender. Unless notification on the Agency's website informs users that the Agency's E-Filing system is officially determined to be in technical failure because it is unable to receive documents for a continuous period of more than 2 hours after 12:00 noon (Eastern Time) on the due date for filing, a failure to timely file the answer will not be excused on the basis that the transmission could not be accomplished because the Agency's website was off-line or unavailable for some other reason. The Board's Rules and Regulations require that an answer be signed by counsel or a non-attorney representative for represented parties or by the party if

not represented. Section 102.21. If the answer being filed electronically is a pdf document containing the required signature, no paper copies of the document need to be transmitted to the Regional Office. However, if the electronic version of an answer to an amended complaint is not a pdf file containing the required signature, then the E-filing rules requires that such answer containing the required signature be submitted to the Regional Office by traditional means within three (3) business days after the date of electronic filing.

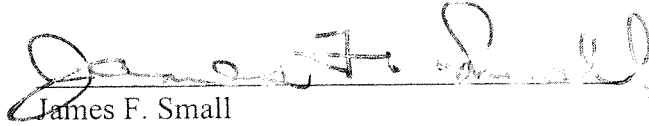
Service of the answer on each of the other parties must still be accomplished in conformance with the requirements of Section 102.114 of the Board's Rules and Regulations. The answer may not be filed by facsimile transmission. If no answer is filed or if an answer is filed untimely, the Board may find pursuant to a Motion for Default Judgment, that the allegations in the amended complaint are true.

NOTICE OF HEARING

PLEASE TAKE NOTICE THAT during the calendar call commencing at 1:00 p.m., PDT, on the 28th day of June, 2010, a hearing will be conducted before an Administrative Law Judge of the National Labor Relations Board in Hearing Room 902, 888 South Figueroa Street, Ninth Floor, Los Angeles, California. At the hearing, Respondents and any other party to this proceeding have the right to appear and present testimony regarding the allegations in this amended complaint. The procedures to be followed at the hearing are described in the attached Form NLRB-4668. The procedure to request a postponement of the hearing is described in the

attached Form NLRB-4338. The precise order of all cases to be heard on the calendar call will be determined no later than the close of business on the Friday preceding the calendar call.

Dated at Los Angeles, California, this 4th day of June, 2010.

A handwritten signature in dark ink, appearing to read "James F. Small", is written over a horizontal line.

James F. Small
Regional Director, Region 21
National Labor Relations Board
888 South Figueroa Street, Ninth Floor
Los Angeles, CA 90017

Attachments

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
REGION 21

UTILITY WORKERS UNION OF AMERICA
AFL-CIO (UWUA); INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL-UNITED FOOD &
COMMERCIAL WORKERS (ICWUC): AND THE
UWUA-ICWUC JOINT STEERING COMMITTEE

Case No. 21-CB-14820

-and-

SOUTHERN CALIFORNIA GAS COMPANY

ANSWER TO AMENDED
COMPLAINT OF THE
INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL/
UFCW

Now comes the International Chemical Workers Union Council of the United Food & Commercial Workers ("ICWUC"), by and through the undersigned counsel, and hereby files in response to the Amended Complaint dated June 4, 2010, in the above-captioned matter, and, except as otherwise specifically admitted, denies the allegations contained in that Amended Complaint.

1. The ICWUC denies the allegations contained in Paragraph 1(a) and (b) as to the filing and service of the original charge and/or amended charge on the ICWUC. Otherwise, the ICWUC is without sufficient information to admit or deny the remaining allegations in Paragraph 1 of the Amended Complaint and, on that basis, denies each and every remaining such allegation.
2. The ICWUC admits the allegations contained in Paragraph 2(a) and (b) of the Amended Complaint.
3. The ICWUC admits the allegations contained in Paragraph 3 of the Amended Complaint.

Exhibit F

4. The ICWUC admits the allegations contained in Paragraph 4 of the Amended Complaint, except that the ICWUC denies any inference that it is a “labor organization” with the UWUA and, instead, specifically avers that it is a separate “labor organization” from the UWUA.
5. The ICWUC denies the allegations contained in Paragraph 5 of the Amended Complaint, except that the ICWUC admits that the JSC Chairman was authorized to sign the handbook referenced in Paragraph 9(b) of the Amended Complaint on March 10, 2010.
- 6(a). The ICWUC admits that for some times material Helen Olague-Pimentel served as a member of the JSC and that the other persons named in Paragraph 6(a) of the Amended Complaint were members for some times material of the JSC, but, except as expressly admitted, is without sufficient information to admit or deny the remaining allegations in Paragraph 6(a) of the Amended Complaint and, on that basis, denies each and every remaining allegation.
- 6(b). The ICWUC admits that at some times material the individuals listed in Paragraph 6(b) of the Amended Complaint held the positions set forth opposite their respective names and admits that John Lewis has been an agent for some purposes for the ICWUC, but deny the remaining allegations in this subparagraph.
7. The ICWUC admits the allegations contained in Paragraph 7 of the Amended Complaint.
- 8(a). The ICWUC admits the allegations in Paragraph 8(a) of the Amended Complaint.
- 8(b). The ICWUC admits that since at least May 2005, based on Section 9(a) of the Act, the UWUA and the ICWUC have been exclusive collective-bargaining representatives as described in Section 2.2(A) of the current and prior collective-bargaining agreements, but deny the remaining allegations in this subparagraph.
- 9(a). The ICWUC admits that, on or about January 31, 2009, the Employer, the Utility Workers,

and the ICWUC reached complete agreement on terms and conditions of employment of employees in the Unit and that such agreement was embodied in a signed written agreement executed by the Employer, the Utility Workers, and the ICWUC on January 31, 2009. Except as expressly admitted, the ICWUC denies the remaining allegations of Paragraph 9(a).

- 9(b). The ICWUC denies the allegations contained in Paragraph 9(b) of the Amended Complaint.
- 9(c). The ICWUC denies the allegations contained in Paragraph 9(c) of the Amended Complaint.
- 10. The ICWUC denies the allegations contained in Paragraph 10 of the Amended Complaint.
- 11. The ICWUC denies the allegations in Paragraph 11 of the Amended Complaint.

AFFIRMATIVE DEFENSES

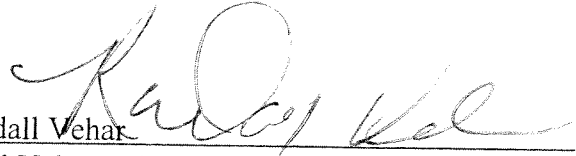
- 1. The Amended Complaint fails to states facts sufficient to constitute a violation of the National Labor Relations Act, as amended.
- 2. The Amended Complaint is barred in whole or in part by the statute of limitations set forth in Section 10(b) of the Act.
- 3. To the extent that the Amended Complaint alleges, suggests, or implies that the January 31, 2009, signed written agreement was not a valid, written, complete, executed collective-bargaining agreement embodying the terms and conditions of employment of employees in the Unit agreed upon by the Employer, the Utility Workers, and the ICWUC, the Charge was untimely, since it was filed and served more than six (6) months after January 31, 2009.
- 4. The Charge, the Amended Charge, and the Complaint in these proceedings were never properly or timely served on the ICWUC.
- 5. The processing of the Charge and/or Amended Charge should have been (and still should be)

deferred pending the outcome of an arbitration, which has been completed, but for which no award has yet issued, regarding *inter alia* the Employer's effective efforts to change the side letter agreements, substantively, contrary to the intention of the negotiators of the most recent collective-bargaining agreement.

WHEREFORE, the ICWUC requests the following relief:

1. That the Amended Complaint be dismissed in its entirety;
2. That the Charging Party and the Counsel for the General Counsel take nothing by way of the Amended Complaint;
3. That the ICWUC be awarded its attorneys' fees and costs herein; and
4. For such other and further relief as the Administrative Law Judge and/or Board deem just and proper.

Respectfully submitted,



s/Randall Vehar

Randall Vehar (Ohio Bar No.0008177)

UFCW Assistant General Counsel/

Counsel for ICWUC

1799 Akron Peninsula Road

Akron, OH 44313

330/926-1444

330/926-0950 FAX

RVehar@ufcw.org

Robert W. Lowrey (Ohio Bar No. 0030843)

UFCW Assistant General Counsel/

Counsel for ICWUC

1799 Akron Peninsula Road

Akron, OH 44313

330/926-1444

330/926-0950 FAX

RLowrey@ufcw.org

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of June, 2010, a copy of the foregoing was sent by email and by regular U.S. mail to the following persons and was filed electronically with NLRB Region 21:


Ellen Greenstone, Esq.
ROTHNER, SEGALL, GREENSTONE & LEHENY
510 South Marengo Avenue
Pasadena, CA 91101-3115
egreenstone@RSGLABOR.com

Attorney for Joint Steering Committee and Utility Workers

Christopher M. Bissonnette, Esq.
Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013
cbissonnette@sempra.com

Attorney for Southern California Gas

James F. Small, Regional Director
National Labor Relations Board
Region 21
888 South Figueroa Street
9th Floor
Los Angeles, CA 90017-5449
NLRBRegion21@nrlb.gov


s/Randall Vehar
Randall Vehar, Esq.

AGREEMENT

Between
Southern California
Gas Company
&
Utility Workers
Union of America,
AFL-CIO
International Chemical
Workers Union Council,
UFCW, AFL-CIO

January 1, 2005

Respecting Rates of Pay and
Other Conditions of Employment



A Sempra Energy utility

TABLE OF CONTENTS

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Exhibit G

Article I

LABOR/MANAGEMENT PEACE PRINCIPLES

1.1 – SoCalGas and the Union agree that it is in their mutual interest to work in an environment where there is labor/management peace and cooperation in order to meet competitive challenges, secure economic security for the employees and better serve SoCalGas customers.

1.2 – SoCalGas and the Union recognize that the business success of the Company is necessary to provide employees economic security.

1.3 – SoCalGas and the Union will attempt to settle matters of mutual concern such as environmental concerns, individual safety concerns, and administrative matters in the spirit of the partnership in lieu of resorting to administrative, environmental, safety, NLRB, etc., type of complaints.

1.4 – SoCalGas will ensure that its management team adheres to the principles and spirit governing this partnership.

1.5 – The Union National/Local elected leadership will officially communicate to its membership and appointed leaders (i.e., shop stewards, etc.) that they must adhere to the principles and spirit governing this partnership and

will proactively intervene if lack of adherence occurs.

1.6 – The Union agrees not to intervene in local, state or federal regulatory or administrative hearings, proceedings or investigations, or with financial institutions for purposes of opposing SoCalGas or undermining its business interest. Both parties recognize, however, that from time to time the Union and SoCalGas may be on opposing sides of issues and agree that in such circumstances full discussion of such differences will take place before such differences appear in a public forum.

1.7 – The Union will discontinue their sponsorship of any and all campaigns against SoCalGas, its products, and/or management.

1.8 – SoCalGas and the Union agree that in order to work in a true partnership that embodies trust, it is necessary for each to share information about business issues, including, on occasion, sensitive information and operating information. In order to accomplish this, SoCalGas and the Union will meet at mutually agreed times to discuss the information and these issues and other matters of general concern that are important to the maintenance of the partnership.

1.9 – SoCalGas supports employees' rights to gain economic security through collective bargaining in their Unions.

Sections 1.5 – 1.11

1.10 – SoCalGas will remain neutral in all organizing drives conducted by the Union for bargaining unit work, as defined by this Agreement, performed by SoCalGas or subsidiaries of SoCalGas, which operate or come to operate in the territory currently served by SoCalGas (service territory as of 8-8-96). If the Union secures a simple majority of authorization cards, subject to a mutually agreed upon verification and validation process, in an organizing drive as described above, for an appropriate bargaining unit, then the Company shall recognize the Union as representative for bargaining purposes for that unit without a secret ballot election conducted by the NLRB. The authorization card shall read, "I _____, wish to have the UWUA/ICWUC represent me as my exclusive bargaining representative for wages, hours, and other terms and conditions of employment", and all representations by the Union will be consistent with this language. The above shall not be applicable to any situation in which SoCalGas acquires in any fashion an existing business or company performing work relating to existing bargaining unit work.

1.11 – SoCalGas will remain neutral in all organizing drives conducted by the Union at SoCalGas.

Article II

MANAGEMENT/UNION RIGHTS, RELATIONSHIPS, RESPONSIBILITIES

2.1 – Management Rights

(A) **General Statement:** The Company has and will retain the unquestionable and exclusive right and power to manage its business and direct the working forces, including the right to hire, classify, grade, suspend, discharge, promote, demote or transfer its employees, provided it does not conflict with the provisions of this Agreement. Nothing in this Agreement is intended to or is to be construed in any way to interfere with the recognized prerogative of the Company to manage and control the business.

(B) Contracting Out:

(1) Except as otherwise specified in this Agreement, the Company shall not contract out work performed by the following classifications (hereinafter called "ferried-in classifications").

Cathodic Protection Spec	Industrial Serv Tech	Pipeline Planning Asst
Commercial Serv Tech	Instrument Spec	Planning Associate
Construction Tech	Ld Construction Tech	Senior Instrument Spec
Cust Serv Rep-2, Blg-2	Ld Cust Serv Rep-6, Blg-6	Station Maintenance Spec
Cust Serv Rep-4, Blg-4	Ld Maint & Reg Tech	Station Operations Spec
Steno-4, Blg-Steno-4	Ld Planning Associate	Station Tech
Energy Tech Distribution	Ld System Protect Spec	System Gas Dispatcher
Energy Tech Residential	Measurement Spec	System Protection Spec
Field Planning Associate	Master & Reg Tech #1	Trans Pipeline Spec
Field Tech	Master & Reg Tech #2	Welder Specialist
Gas Storage Specialist	Pipeline Tech	

(2) Routine Work: The Company retains its right to determine the best course to follow with regard to expanding or contracting the regular working force.

The Company retains the right to contract out in the following situations: fluctuating or seasonal work loads where the employment of additional regular employees could reasonably be expected to result in periodic shortages of work for such regular employees; to avoid payment of overtime rates; to conduct pilot programs; when contractors have specialized skills or equipment which make it more efficient for the Company to utilize them.

No layoff of regular employees shall occur as a result of contracting out under the provisions of this section.

(3) Special Projects: The Company will continue, as in the past, to employ architects and contractors, as occasion and fair outside business relations may require, for construction and building operations and for special maintenance projects not regularly a part of its activities in producing and distributing natural gas. The Company will not undertake to regulate the conditions of employment which may prevail under outside contracts or subcontracts covering such construction, building or maintenance.

2.2 - Union Rights

(A) Recognition:

The Company recognizes the Union for those units

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where the Union, through National Labor Relations Board certification, has been designated as the exclusive bargaining agency for employees of the Company covered by this Agreement, i.e., employees represented by Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council of the UFCW, AFL-CIO jointly, as certified by the NLRB in Case No. 21-RC-11756, and employees represented by Utility Workers Union of America, AFL-CIO, as certified by the NLRB in Case Nos. 31-RC-1072 and 31-RM-164 and in Case No. 21-AC-41.

The Company shall notify the Union when it creates an entirely new nonmanagement job classification or work location. This notification shall include pertinent facts including, but not limited to: classification, department, and the work location where the classification is proposed to be placed.

Southern California Gas Company agrees that this Agreement shall apply in the event that it decides, in its sole judgment, to create a new subsidiary to perform bargaining unit work within its current service territory. Whenever the Company or a subsidiary of the Company creates a job classification within its current service territory (as of August 8, 1996) which performs production, maintenance, technical or clerical work with job duties consistent with bargaining unit work, such classifications shall also be included in the Agreement.

The Company further agrees that, effective the date of the Agreement, general and accounting clerical positions

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Section 2.2

shall be included in the bargaining unit. The Union hereby agrees the incumbents defined above shall have bargaining unit seniority based upon their hire date. However, positions traditionally excluded by the Company due to performance of confidential work (including, but not limited to Human Resources personnel or personnel performing Human Resources functions, secretaries [Associates/Assistants] of all levels, department heads and above), classifications which the Union has previously relinquished their representational rights to (including, but not limited to Marketing), and positions historically regarded by the Company as management are also excluded.

Recognition described above shall not be applicable to any situation in which the Gas Company acquires in any fashion an existing business or company performing work relating to existing bargaining unit work. Their inclusion shall only be determined in connection with appropriate proceedings before the NLRB or by specific agreement between the parties.

(B) Union Leave of Absence:

(1) Regular employees selected by the Union to do work for the Union which takes them from their employment with the Company, shall upon written request of the Union be authorized to absent themselves from their work with the Company for the period of their services for the Union; provided, however, that the number of employees on leave under the provisions of this Section shall not at any one time exceed five employees who are

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members of the ICWUC or eight employees who are members of the UWUA.

During such Leave of Absence to do work for the Union, such employee shall have the same bid priority upon return to the Company as those provided in Section 5.10.(B).1 (Disability Bid) hereof, except that such employee shall have the right to return at any time to the same classification and kind of work in which such employee was last engaged prior to entering the service of the Union under the provisions of this Section; and, further, that such employee shall accumulate seniority during the full term of such service for the Union.

(2) In addition, upon written request from the Union, the Company will authorize regular employees to be absent from their jobs without pay (or to sustain pay as described in Appendix C Side Letter regarding Paid Union Leave) for the purpose of attending Union meetings, Union-sponsored schools and Union conventions, and in order to perform Union administrative work, providing the following conditions are met:

(a) Employees selected by the Union as delegates to state, regional, or national conferences or conventions shall, upon written request of the President of any Local Union, be granted permission to be absent from the Company for short periods of time whenever such absence does not interfere with the conduct of Company business. Such employees may apply unused vacation allowance to cover the time required

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for official duties and travel time by air in connection with such activities. Additional vacation may be scheduled only if the employee's regular seniority preference entitles him or her to it.

(b) Where operating necessity permits, officers of the Union who may be on shift will be allowed time off the job in order to attend meetings of the Local Union.

(c) Where operating necessity permits and where the written request has been received by Labor Relations at least 24 hours prior to the time of the beginning of the requested absence, members of the Union will be allowed specific periods of time up to ten working days in order to do Union administrative work. The written request must be received by Labor Relations during the normal course of business hours, excluding weekends and Company-observed holidays.

(d) The Union agrees to make a reasonable effort to minimize the number of customer service personnel on leave under (2) of this section during the seasonal light period, and will attempt to rotate leave requests so as not to unduly burden a given operation or location.

(C) Union Security:

(1) Each employee who is working in a bargaining unit classification on or before the effective date of this Agreement shall be required as a condition of employment to meet their financial obligation by making monthly union membership dues to either the Utility

Workers Union of America, AFL-CIO, or to the International Chemical Workers Union Council, UFCW, AFL-CIO. Such employees who fail to meet their dues obligations to the Union will be subject to termination.

Newly hired prospective regular employees shall be required as a condition of employment to pay the amount of monthly dues effective with the month following completion of **30 days** of service; except that an employee with less than **30 days** of service who submits two authorizations for payroll deduction of dues, one to each union, will be notified as promptly as practicable that he or she must choose one union or the other for payroll deduction purposes. Deduction of dues in such case shall commence following notification to the Human Resources Department, of the employee's final choice, in accordance with the provisions of paragraph (2) of this Section.

In addition, any employee who comes from outside the bargaining unit into a job classification represented by the Union shall similarly be required to pay Union dues effective with the month following completion of **30 days** service within the bargaining unit. An employee's obligation to pay Union dues in accordance with these requirements can be met by keeping in effect a valid authorization for payroll deduction of such dues, as provided under paragraph (2) following. Except when he or she transfers from one unit to another, as defined in Section 2.2 (Recognition), an employee's obligation to pay dues may not be transferred from one of the unions that is party to this Agreement to the other.

(2) An employee may join or may authorize that monthly dues deductions be paid to, either the Utility Workers Union of America, AFL-CIO, or the International Chemical Workers Union Council, UFCW, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on the first and second payday of each month, deduct from any employee's wages for the related pay periods the amounts required to equal the total monthly Union membership dues for the current calendar month. The Union agrees that the monthly dues shall be constructed in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. For regular employees such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another, as defined in Section 2.2 (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of the employee's transfer.

(3) The Company will remit to the Financial Secretary or Treasurer for the Local Union, not later than twelve calendar days following the end of said related pay periods, the full amount of such deduction for dues made during the pay period. Except in the bargaining units within the Transmission Regions and the Professional

and Technical units, the Union may notify the Company to transfer remittance of dues from one local Union to another of the Utility Workers Union of America, AFL-CIO, or from one Local Union to another of the International Chemical Workers Union Council, UFCW, AFL-CIO, such transfer to be effected as of the first of the months following receipt of notification.

(4) It is agreed that the Union shall indemnify and save the Company harmless from any claims, suits, or any other form of liability as the result of making payroll deductions for membership dues in accordance with the terms of any previously agreed upon or current payroll deduction form. In addition, it is agreed that it is the Union and not the Company that is responsible for the collection of unpaid dues when a dues deduction is not made for any reason. It is further agreed that the Company is not liable to the Union for any failure to deduct dues but that the Union's sole remedy is to collect unpaid dues directly from the employee.

(5) The Union agrees that neither it nor any of its officers or members will intimidate or coerce employees into membership in the Union. The Company agrees that neither it nor any of its officers or supervisory employees will intimidate or coerce employees to refrain from joining the Union.

(D) Union Activity: The Company will not discriminate against any employee for engaging in Union activity. Union activity shall not take place on the job in such a way that it interferes with the work. However, the

Company will permit access to Company property by Union representatives to expedite the handling of grievances, to contact members of the Union, or to visit Union Bulletin Boards, under the following circumstances:

When more than one employee is to be contacted, such visitations shall normally be limited to the lunch period or immediately prior to the beginning of or after the end of a shift. When only one employee is to be contacted, or when a grievance investigation is involved, or when a Union bulletin board is to be visited, such visitations may be made at any convenient time during working hours. The Union representative shall request permission in advance **by no later than 2 p.m. on the business day preceding the day of the visit** from the Director, Labor Relations, other Headquarters Directors or Region Directors and shall limit his or her visitation to a reasonable length of time.

Where practicable the supervisor will provide an appropriate place for the Union representative to confer with the employee or employees. It is understood and agreed that such discussions will be limited to particular problems arising under this Agreement and will exclude discussions of general Union administrative procedures. It is further agreed that such visitations will not be used for purposes of organizing employees, **official union meetings**, recruiting new members, or collecting dues.

(E) No-Strike Clause: There shall be no picketing, strikes, concerted failure to report for work, slowdowns or

stoppages of work, nor any lock-outs, during the term of this Agreement.

The Company agrees that neither the Union, its officers or official representatives, shall be liable for damages for unauthorized picketing, strikes, concerted failure to report for work, slowdowns or stoppages of work, if:

(1) The Union gives written notice to the Company and the employees involved, within 24 hours after being informed by the Company of such action, that it has not authorized the stoppage, strike, slowdown or suspension of work, and such written notice directs the employees involved to return promptly to their jobs and cease any further violation of this Agreement, and if:

(2) The Union at the same time authorizes the Company to give such further publication of such notice as in the sole judgment of the Company appears desirable.

It is recognized that the Company has the right to take disciplinary action, including discharge, against any employee who is responsible for or participates in a breach of a provision in the first paragraph of this Section, whether or not the Union gives the notice provided in this paragraph. It is agreed that such action on the part of the Company shall be final and binding upon the Union and shall in no case be construed as a violation by the Company of any provision of this Agreement. However, an issue of fact as to whether or

not any particular employee has engaged in, participated in, or encouraged any such violation, may be subject to the grievance procedure and/or arbitration.

(F) Picket Lines: Recognizing the obligation of the Company and of its employees to render service to the public under the provisions of the California Public Utilities Act and the franchises granted to the Company thereunder, the Union and the Company agree that the presence of a picket or of a picket line on or adjacent to the premises of any customer or potential customer of the Company shall not, of itself, remove the obligation to render such service as has been regularly applied for or otherwise properly requested by such customer, or such service as is necessary in the interest of public health and safety or in the normal routine of Company operations.

It is further agreed, however, that employees are not required to cross a picket line if in the employee's best judgment it appears to the employee that such entry may result in physical violence or injury to him or her. In such event the employee shall specifically explain to the person in charge of such picket line the obligation of the Company and of its employees to render service and inquire as to whether or not such entry will be physically resisted. Where such inquiry has been made and the employee is advised by the person in charge of the picket line that his or her entry will be so resisted, or in case violence actually in progress precludes such inquiry, the employee shall forthwith notify his or her supervisor. In no case will the employee be required to

enter the customer's premises under the circumstances hereinabove described until any such threat of resistance to such entry shall have been removed. Failure to gain entry to the customer's premises under the circumstances hereinabove described shall not, in and of itself, be deemed a violation of the terms of the Agreement, nor shall it result in the loss of seniority or pay to the employee involved.

(G) Seniority List: The Company agrees to furnish the Union the seniority lists of all regular and probationary employees in work locations covered by the terms of this Agreement. The seniority list shall be by Region and by classification, and shall be corrected and brought up to date every three months.

(H) Union Officers: Seven (7) officers from all locals of the UWUA and Five (5) officers from all locals of the ICWUC, for a total of not more than Twelve (12) representatives may elect to be excluded from off-hour shifts or details during the period that he or she holds office, provided that the employee is in a working group that rotates through such assignments and that is large enough for his or her exclusion to meet operating convenience. It is understood that dispatch office working groups are not ordinarily considered large enough to qualify hereunder.

In the event of layoffs for lack of work as provided in Article VII (Shortage of Work) the members of the Steering Committee of the Joint Labor Committee (not to exceed eight employees), the President of Local 483

of the UWUA, and the President of Local 522 of the UWUA, if assigned during their respective terms of office to progressions in which layoffs occur, shall in face of such layoffs, be placed at the top of the seniority list of the respective job progressions in which such layoffs occur. Upon termination of their respective terms of office, such officers shall automatically revert to their appropriate positions on the seniority lists of the job progressions to which they are respectively assigned. The Union agrees to notify the Company of the names of such officers and of their term of office at the time of their election. The special seniority accorded hereunder will not apply unless such notification is received by the Company in writing at the time of the signing of this Agreement or within 30 calendar days after the election of such officers.

(I) Bulletin Boards: In plants or units covered by this Agreement the Company will erect and maintain bulletin boards in suitable places mutually agreed upon, to be used solely by the Union for the posting of notices of the following type only, except that additional notices may be posted upon approval by local management or by the Director, Labor Relations:

- (1) Notices of Union recreational and social affairs.
- (2) Notices of Union elections, appointments, and result of Union elections.
- (3) Notices of Union meetings.
- (4) Minutes of Shop Committee meetings.

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Sections 2.2 - 2.4

2.3 - Nondiscrimination

The Company and the Union agree that neither will discriminate because of age, sex, handicap, medical condition, marital status, sexual orientation, race, religious creed, color, national origin, ancestry, or otherwise in accordance with federal and/or state law.

2.4 - Conclusion of Bargaining & Term of Agreement

(A) Term: This Agreement shall be effective from January 1, 2005, to and including September 30, 2008.

(B) Good Faith: The Company and the Union expressly stipulate that the provisions of this Agreement, irrespective of the give and take entering into negotiations thereof, and without prejudice to future negotiations, are essentially fair and equitable, and each party further stipulates that this Agreement is entered into without mental reservations, unexpressed lack of agreement or other failure to agree with the provisions hereof, it being the express intent of both parties to conclude this Agreement and to observe the covenants herein set forth in complete good faith.

(C) Zipper Clause: It is agreed that during negotiations which resulted in this Agreement each party had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law or by agreement through a valid and existing contract from the area of collective bargaining and that the understanding and agreements arrived at by

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Notices that have been approved by local management will be identified by an asterisk or star placed in the upper left-hand corner. Notices that have been approved for posting by the Director, Labor Relations will be identified by two such asterisks or stars in the upper left-hand corner.

It is mutually agreed that the bulletin boards shall not be used for posting or distributing pamphlets or political matter of any kind, nor for the posting or distributing of matter derogatory to supervisors, management or the Company, or for advertising.

As a service to the Union, the Company will arrange to have any of the following items posted, when issued, on the General Bulletin Boards in each District and Region headquarters office, and in each major plant and operating base:

This Agreement

The Job Profile Index

The appropriate area seniority list provided in paragraph (G) herein

Notices of Prequalifying Test Sessions

(J) Notification of New Employees: Newly hired employees who are subject to this Agreement shall be so notified by the Company at the time of their employment in the manner agreed upon at the time of the execution of this Agreement.

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the parties after the exercise of that right are set forth in this Agreement. Therefore, the Company and the Union for the life of this Agreement each voluntarily and without qualification waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

(D) Governmental Approval: It is agreed that the provisions of this Agreement relating to expenditures which may be subject to Governmental approval will be submitted to the appropriate Governmental agencies and are subject to such approval.

(E) Printing of Agreement: The Company agrees to use the services of a Union recognized printer to print copies of this Agreement and to distribute to all bargaining unit employees a copy of the printed Agreement. In addition, the Company agrees to provide each local with Agreements equal in number to 10% of their respective memberships.

2.5 - Labor-Management Activities

(A) Notices: Notices required to be served under the terms of this Agreement shall be sufficiently served for all purposes herein when mailed, postage prepaid, certified

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mail, return receipt requested, to Southern California Gas Company, attention — Labor Relations, **Manager of Labor Relations**, 555 West Fifth Street, Los Angeles 90013-1011, for service upon the Company and when similarly mailed to Utility Workers Union of America, AFL-CIO, 7200 Greenleaf Avenue, Suite 380, Whittier, CA 90602 (Area Code 562-696-0142, Company Mail Location #702J), and/or to International Chemical Workers Union Council, UFCW, AFL-CIO, 8530 Stanton Avenue, Suite 2-C, Buena Park, 90620 (Area Code 714-816-1922), Company Mail Location #702F, for service upon the Union, and the date of delivery of such notice shall be the controlling date for all purposes hereunder.

(B) Interim Meetings: In order to effectuate this Agreement, the Union and the Company mutually agree to have their respective committees meet to discuss the administration of the Agreement and any problems that arise thereunder. The committee shall consist of the representatives who negotiated this agreement or their successors. A review of industrial accidents and suggestions on safety matters that are considered to be more than local in scope may be part of the agenda. Such meetings shall be scheduled any time during the term of this Agreement, within 24 to 48 hours following the receipt by the Company of the Union's agenda.

(C) Safety - Company/Union Policy:

The Union and the Company agree to cooperate in maintaining safe working conditions. No employee shall be required to work under conditions or operate

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equipment which does not meet the requirements of the lawful orders of the State of California pertaining to employee safety, and refusal to work under such conditions or operate such equipment shall not in and of itself be deemed in violation of paragraph (B) of Section 6.3 (Causes for Disciplinary Action), nor of Section 2.2(E) (No-Strike Clause).

(D) Safety Committees: It is agreed that upon execution of the present Agreement, Safety Committees may be established.

(1) Region and Headquarters Department Safety Committees

Safety Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee). Safety Committees established outside the Joint Certification shall be composed of two representatives designated by the Union.

Two representatives will be designated by the Company plus a representative of Safety Management's Staff. By mutual agreement a greater number of regular representatives, not to exceed the number necessary to represent affected work groups, may be established. The Union representatives shall be selected from the employees of the departments or Region represented by

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Section 2.5

the committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the committee on which they are to serve. Whenever practicable, other Company employees who are knowledgeable about particular topics may attend committee meetings.

The Safety Committees shall hold meetings quarterly or upon request of either party or according to any regular schedule mutually agreed upon by Union representatives and local management to permit inspection, discussion, and review of local health and safety conditions and practices.

(2) District and Local Safety Committees

Employee participation in safety management through local safety committees is strongly encouraged. These guidelines are intended to facilitate formation of safety committees in organizations that do not currently have one and to promote consistency in committee make-up and function.

Safety Committees will be established at a district and department by mutual consent of management and the Union(s). The committee should be made up of at least three represented persons (larger locations may have more). To obtain the best cross section of employee representation, a person from each work group should be on the committee (i.e. customer contact, field services, meter reading, etc.). In addition, a representative of Management and the Union will serve, and in turn, will mutually agree on the method of

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selecting the rest of the committee. The length of term will be twelve (12) months on a rotating basis or end of project (not to exceed eighteen (18) months). To maximize education, all employees at the location should have an opportunity to serve on the committee. Persons selected to service on the committee should be those who support the Company and the Union's efforts in safety and incident prevention.

Responsibilities

The responsibilities of the safety committee will be varied based on the needs and requirements of each work location. Some general duties are listed below:

1. By consensus, the committee will agree on a meeting schedule.
2. Assist in planning and conducting of the safety meetings.
3. Promote the idea that a person's safety is everyone's responsibility.
4. Review suggestions from employees pertaining to changes in safety programs, safety equipment and make recommendations to appropriate personnel for consideration.
5. Be familiar with the contents of the Company's Injury/Illness Prevention Program Handbook and be prepared to make recommendations for changes to local management or region safety supervisor.
6. Be alert to the any hazard or hazardous conditions

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and report as soon as possible to appropriate personnel designated by Safety Committee. Review industrial injury and motor vehicle accident reports and make commendations on methods of prevention and protection to prevent a similar recurrence.

7. Communicate and coordinate safety/issues between work groups, all shifts, and other safety committees.

Suggestions and recommendations for the prevention and elimination of unhealthful and unsafe conditions and practices shall be promptly investigated and acted upon by the appropriate staff. Participating representatives, insofar as practicable, shall be furnished, at least 24 hours prior to the time of the meeting, with a written agenda of all matters to be discussed at the meeting.

If safety matters are not resolved to the satisfaction of Union representatives, they may be referred to the grievance procedure under Section 6.8 (Grievance/ Arbitration Procedure) or, in the case of safety matters having system-wide implications, to an Interim Meeting as set forth in Section 2.5 hereof. If the matter is of sufficient urgency, the meeting may be scheduled prior to the next otherwise planned Interim Meeting.

(E) Shop Committees:

(1) It is agreed that upon execution of the present Agreement, Shop Committees shall be established in the following locations:

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MAJOR SHOP COMMITTEES

Customer Contact Centers

Customer Service Mass Markets & Distribution Operations

South Inland Region
Imperial
Redlands
Northern Region
Chatsworth
Pacific Coast Region
Anaheim
Compton

Gas Transmission & Storage Operations

Beaumont
Blythe
Victorville/Newberry Springs/Needles
Aliso Canyon/Honor Rancho
Valencia/Chatsworth
Goleta/Ventura
Taft
Brea/Olympic/Saticoy
Playa Del Rey/Montebello

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Section 2.5

SPECIAL SHOP COMMITTEES

Business Solutions

Fleet
Facilities
Logistics
Fabrication & Tool Repair/Meter Shop

Gas Control

Customer Assistance

DAP
CARE

Customer Operations

Branch Offices
Mass Markets Billing
Mass Markets Credit & Collections
Meter Reading

Gas Engineering

Engineering Analysis Center
Mapping Services

Customer Remittance Processing

Data Distribution
Mail Payments

At the Union's request, the Company will establish additional Shop Committees to deal with matters concerning Union represented employees not included

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under the jurisdiction of any Shop Committee listed above.

(2) Shop Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee.) Shop Committees established outside the Joint Certification shall be composed of two representatives designated by the Union. The Company shall designate two representatives to each Committee. The Committee may be increased from time to time by mutual agreement. The Union representatives shall be selected from the employees of the departments or Region represented by the Committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the Committee on which they are to serve. Whenever practicable, other supervisors who are knowledgeable about particular topics will attend for those topics.

(3) Major Shop Committee meetings shall be held upon request of either party, or according to any regular schedule established mutually by the Union representatives and local management. Special Shop Committee meetings shall be scheduled upon request of either party. Any given meeting may be extended, or recessed and resumed, as necessary to complete any given item of business, upon the unanimous

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concurrence of representatives of the Union and of the Company. Participating representatives, insofar as practical, shall be furnished, at least 24 hours prior to the time of the meeting, with written agenda of all matters to be discussed at the meeting. The agenda shall be prepared in sufficient detail to permit the Company and Union representatives to make any necessary review of the matters to be discussed. Meetings shall be scheduled by mutual convenience, under conditions which neither disturb nor interfere with Company work. Procedure shall be as informal as is consistent with transaction of the business at hand.

(4) Shop Committees shall deal with matters which are strictly local to the department and which do not involve changes in this Agreement or Company policy. Interpretations of this Agreement or of Company policy may be discussed; provided, however, that any controversy with respect to such matters shall be referred to the grievance procedure. Representatives of the Union or of the Company may, by stating a motion to such effect, cause transfer of any matter before the Committee to regular grievance procedure under Article VI (Dispute Resolution). Minutes of each meeting shall be prepared by the Company representatives and offered to the Union representatives for correction and approval within 24 hours or as soon thereafter as practicable following the conclusion of the meeting. Upon final approval by both parties to this Agreement, such minutes may be posted on appropriate bulletin boards by either party hereto. Agreements reached by the Shop

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Sections 2.5 - 3.2

3.2 - Scope

Only regular employees are accorded seniority rights hereunder. Prospective regular employees and temporary employees do not have seniority rights.

Prospective regular employees are those who (1) are scheduled to work no less than forty hours per week in jobs which are occasioned by continuous requirement of the Company; and (2) are employed in jobs which, at the time of employment, offered a likelihood of more than six months of regularly scheduled work; and who (3) have not yet completed the customary probationary period of six months or any agreed upon extension thereof.

Temporary employees are those who (1) have accepted employment in jobs which, at the time of employment, appeared to offer a prospect of less than six calendar months of continuous work; or who (2) have accepted employment in part-time jobs in which they are regularly scheduled to work substantially less than 40 hours per week, exclusive of work performed during the school vacation periods. The Company will notify each newly hired employee by mail that his or her status is either that of a temporary employee or a prospective regular employee.

When a prospective regular employee successfully completes the six months' probationary period or extension thereof, his or her probationary period shall be credited as regular employment in determining his or her official date of entry into the service. In the event that a prospective regular employee is terminated because of

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Committees shall be listed in the minutes of the meeting and shall be considered as approved unless revoked in writing by the Union or the Company within five working days after receipt of the minutes as provided by Section 2.5 (A) (Notices) hereof. In the event that neither party revokes within the ten working days, the Shop Committee Agreement shall remain in effect for six months and will be automatically renewed every six months unless specifically revoked in Shop Committee by one of the parties.

Article III BARGAINING UNIT SENIORITY & JOB CLASSIFICATIONS

3.1 - General Seniority Policy

Where ability and qualifications are sufficient the seniority of regular employees shall be observed in re-employment and layoffs, and in promotions, as herein provided. The date of entrance into service will be considered the date upon which continuous employment begins. Continuous employment, as regards probationary employees, is that employment which is regular and unbroken by any absence longer than ten succeeding working days or two calendar weeks for a reason other than an on-the-job injury compensable by workers' compensation, jury duty or an appearance in court as a witness. A regular employee who is rehired within ten working days after termination shall have his or her seniority fully reinstated.

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extended absence due to sickness or injury before completion of the six months' probationary period, and is rehired within 30 calendar days of such termination, his or her service prior to such termination will be credited as regular employment in determining the employee's official date of entry into the service.

When the Company provides off-the-job training to qualify for a job, the probationary period shall be extended by the period of time spent in such training, or until nine months following entry into Company service, whichever is the lesser.

Rather than resort to outside hirings, the Company will consider prospective regular employees for promotion. Prospective regular employees shall be subject to the provisions of paragraph (D) of Section 6.5 (Disciplinary Procedure) for an additional period of six months, or nine months following entry into Company service, whichever is the lesser.

Time spent as a regular management employee shall not count when calculating seniority for the exercise of rights under Section 5.10 (Position Opportunity System) and Article VII (Shortage of Work) of this Agreement, and vacation schedule and shift assignments.

3.3 - Determination of Seniority

An employee's seniority begins on the official date of his or her entry into service as recorded by the Company and continues to accumulate until his or her services as

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an employee are officially terminated, except as provided in Veteran's Seniority Credit. Absence from work for authorized reasons such as vacation, sickness, or accident, or with properly authorized leave of absence shall not impair or cause any break in an employee's seniority, except as provided in Family Care Leave and Union Leave of Absence. However, a regular employee who has not completed one year of service shall be terminated after an absence of 60 calendar days because of illness or injury. An employee so terminated may put job requests in for any open jobs he or she is capable of performing, for a period of six months following his or her termination. His or her job request shall be considered before that of any employee with less seniority and before any hiring off the street. Further, an employee so terminated shall have the right to return to his or her former job at any time within 90 calendar days following his or her termination on the same basis as an employee returning from Disability. He or she shall upon re-employment be credited with the seniority which has accrued to him or her up to the date of such termination. An employee who has completed one or more years of service shall be terminated after an absence of nine months in which the employee is not qualified for and does not receive benefits under the Disability Benefit Plan.

In the event that the accredited seniority of two or more employees is identical, the order of preference in all matters in which seniority is a determining factor shall be determined as follows:

(1) if any such employee shall have had prior temporary or regular service with the Company, including any predecessor company, which is not related to the present seniority determination, then the employee having had the greatest amount of such prior temporary or regular service shall be given said seniority preference;

(2) in the absence of the aforesaid prior temporary or regular service, or in case such prior temporary or regular service shall be equal, the said seniority preference shall apply to the employee who has had the greatest amount of service within the job progression;

(3) in case such service within the job progression shall be equal, the said seniority preference shall apply to the employee who holds the highest job classification or who has the greatest amount of service in the same or equally paid job classifications; or

(4) **All employees hired on the same day shall have their preference, if not already established by (1), (2) & (3) above: established by the order of random numbers assigned at the time of hire.**

3.4 – Seniority In Demotion

When an employee has been demoted for cause other than failure to perform work in an efficient and workmanlike fashion, his or her seniority so far as

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subsequent promotion is concerned shall be redated as of the date of the demotion for cause. Such an employee shall retain his or her original seniority rights regarding layoff and rehiring. Further, he or she shall have his or her original seniority rights fully restored following three consecutive years during which his or her record has been satisfactory.

When an employee is demoted for failure to perform work in an efficient and workmanlike fashion, or has elected to take a demotion in face of a written warning prior to completion of the probationary period established with such warning, as provided in Section 6.4 (Advance Warning of Intention to Discipline), his or her seniority shall not be redated. However, it is understood and agreed that he or she will be restricted from promotion in the line of work from which he or she was demoted; except that, following three consecutive years during which his or her record has been satisfactory, he or she shall, if otherwise considered qualified, have such restriction removed.

3.5 – Veteran's Seniority Credit

It is understood and agreed that any employee who was accorded Veteran's Seniority Credit prior to August 1, 1970, shall continue to carry such credit.

3.6 – Seniority In Shift/Schedule Assignments

As used in this section and throughout this Agreement, the term "shift" refers to the general shift the employee is

working, i.e., day, swing, or graveyard. The term, "schedule" refers to the hours within a shift that an employee is assigned or the days of the week that an employee is assigned.

In recognition of seniority, employees may select shift and schedules, on a voluntary basis, in seniority order. Absent mutual agreement in shop committee, unfilled shifts and schedules shall be filled in inverse seniority order.

An employee may request a change to his or her shift or schedule during the months of February and August of each year, providing that the employee wishing a change has made application in writing to the appropriate supervisor not later than the first day of the preceding January or July, respectively. If an employee's request is not honored because he or she lacks sufficient seniority, the employee may keep his or her written request active for the next semi-annual selection by informing his or her supervisor.

In recognition of seniority, in the Customer Contact Center, employees may request specific shifts/schedules during a CCC "open selection" process conducted in August, for shifts/schedules that become effective in September. Shifts changes may be made in March provided that the employee wishing a change submits a written request to his or her supervisor by February 1.

In all cases, it is understood and agreed that written request shall not be used as a means of requesting a change in basic schedules or in type of work or job

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location, and the Company shall have the right to refuse reassignment in the event that operating conditions do not permit the change. It is further understood that an employee on a non-rotating swing or graveyard shift schedule who is attending school for credit will be allowed to remain on such schedule as long as he or she maintains continuous attendance during each school semester, other than the summer vacation period.

In the event the Company reassigns an employee to a new shift on a regular basis, the restriction to one change per year will be lifted for any affected employees.

3.7 - Seniority In Rehiring

In the event of rehiring or reclassification following layoff, the employee last laid off or reclassified in accordance with the provisions of Section 7.1 (Seniority in Layoff) shall be offered re-employment or reclassification first, and no new employee shall be hired until the list of employees laid off or otherwise removed from the given payroll classification shall have been exhausted. Such re-employment privilege, however, in the case of an employee who leaves the Company with rehiring rights under Section 7.1 of this Agreement, shall not continue for a period of time greater than three calendar years. Such reclassification privilege, in the case of an employee who has remained on the payroll, shall continue for a period of three years.

Re-employment Following Layoff For Shortage of Work: Employees laid off under this section, who reapply for

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employment and secure a regular job within 12 months of the termination date, will have, upon re-employment, the same seniority status they had attained at the time of their layoff. In addition, their sickness and vacation allowances will be fully reinstated. Their status under the life insurance, disability benefit and pension plans will be determined in each case according to the then existing rules of these plans.

The refusal of an offer of re-employment in the same or parallel classification in the same work location as that held by the employee at the time of layoff shall terminate any obligation assumed by the Company. However, the Company will not offer re-employment in a parallel classification if the employee lacks any specific skills that are required in the job, such as typing, stenography, public relations skills, or the ability to lift heavy objects, etc.

An offer of re-employment mailed to the last known address of an employee whose services are terminated for lack of work requiring his or her presence on the job within twenty calendar days of the date thereof, shall terminate if unanswered at the end of the twenty-day period, and his or her re-employment privileges hereunder shall likewise terminate. The Company will maintain on active file all mailing addresses furnished by the employees who have been laid off, but assumes no obligation to notify such employees other than by certified mail.

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3.8 - Classification Policy

No employee shall have more than one classification. The Company assumes no obligation to maintain any specific number of employees in any given classification. The properly assigned duties of any job classification include any or all tasks or duties which are within the range of skill of the classification. Two general types of duties which fall within the range of skill are "parallel duties" and "downhill duties": (1) Parallel duties are the duties normally associated with job classifications in related lines of work which carry the same wage rate as the job under consideration; (2) Downhill duties are duties normally associated with job classifications carrying lower wage rates in the same or related lines of work.

3.9 - Classification Changes

The Company agrees not to reclassify any employee for the sole purpose of lowering his or her salary or for the sole purpose of removing such employee from the bargaining unit as herein defined. Reclassification may be made, however, in connection with promotions and transfers; for any of the causes listed in Section 6.3 (Causes for Disciplinary Action); or as the result of a shortage of work.

Changes in classification affect salaries in accordance with the reason for the change and the length of the employee's service. A description of the various ways in which classification changes affect salaries is contained

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in Section 4.1(D) (Pay Schedules). During the term of this Agreement the Company agrees that any proposal that establishes a new classification to perform some of the work of the existing classifications will be negotiated with the Union. The Company and the Union agree to a period of good faith bargaining beginning within five working days of the request (unless this time period is extended by mutual agreement). In the event agreement is not reached, arbitration will be held under an expedited process requiring a bench decision by the arbitrator. Such arbitration shall be heard at the next scheduled hearing date closest to but not later than 30 days after either party requests arbitration. In the event no such hearing date is scheduled, such arbitration will be heard at the next scheduled hearing date.

3.10 - Refusal of Duties

The interpretation and application on the job of the Job Profile Index is a function of the supervisors of the Company. An employee shall not be entitled to refuse duties assigned to him or her during the course of his or her regular working hours based upon a conflict of opinion as to the proper interpretation of the Job Profile Index. Cases of such conflict are subject to the remedies provided in the grievance procedure. He or she shall not be entitled to refuse duties under any circumstances except as provided in the following paragraph.

An employee may refuse to perform duties assigned to him or her if he or she reasonably believes that

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performance of the duties would imperil the health or safety of the employee or other employees or create a hazard affecting Company operations or the safety of the public contrary to the provisions of Section 2.5 (Safety - Company/Union Policy). In such a refusal of duties an employee assumes responsibility for subsequently supporting his or her position in the event of disciplinary action taken under provisions of Article VI (Disciplinary Conditions and Procedures).

When an employee who is represented by the Union is required to perform duties which are outside the range of skill in his or her classification or of the duties of parallel or lower level jobs in the same or related lines of work as described in the Job Profile Index, except as provided in Section 5.7 (Job Assignments During Inclement Weather) and as may be involved in going practices with respect to temporary promotion, the Union may file a grievance. If the grievance is sustained, the employee shall be paid for all work performed outside the skill range of his or her classification, from and after the date upon which the grievance is filed, at the rate called for under an appropriate classification. If the assignment of duties outside of the skill range of his or her classification is continued, the employee shall be appropriately reclassified, subject to the seniority provisions of this Agreement.

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Section 4.1

(C) Less Than Satisfactory Employees:

Effective with the signing of the Agreement, employees rated Less Than Satisfactory (LTS) overall for attendance or an unsatisfactory accident record will not receive a general wage increase and/or, if applicable, a step-in-progression increase. The removal of the LTS rating requires one (1) year of satisfactory performance.

Effective with the signing of the Agreement, employees will not receive a general wage increase and/or, if applicable, a step-in-progression increase if they are rated LTS overall for unsatisfactory job performance. **Once an employee is rated LTS overall for job performance and then achieves satisfactory performance, typically in 3 to 6 months, the LTS overall rating shall be removed. The employee must then maintain satisfactory performance for a sustained period of 180 days. Following such period the employee will be eligible for a general wage increase and/or step-in-progression increase.**

When one year of satisfactory performance has been met as stated in the first paragraph above, or 180 days following removal of the LTS rating as stated in the second paragraph, the employee's wages will be as follows:

- (1) An employee whose pay was at the top rate of pay shall be entitled to the top rate in the current schedule of Appendix A.
- (2) An employee whose pay had not yet reached the

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**Article IV
TOTAL COMPENSATION**

4.1 - Pay Structure

(A) Base Wages:

The Weekly Pay Rates to be in effect from **January 1, 2005 through June 30, 2005**, and from **July 1, 2005 through June 30, 2006** and from **July 1, 2006 through June 30, 2007** and from **July 1, 2007 through September 30, 2008** are as set forth in Appendix A.

(B) Pay Days:

It is understood that each employee will receive payment at biweekly intervals and that payday shall be the Friday next succeeding the end of said intervals, unless Friday is a recognized holiday stipulated in Section 4.4(E) (Holidays), in which case payday shall be the preceding Thursday. In the event of a delay in the preparation or transportation of paychecks occasioned by circumstances not within the control of the Company, payday shall be the next day upon which the Company is regularly open for business.

When an employee is absent for authorized reasons on payday, he or she may request to have his or her check mailed to the address he or she has on file with the Company or he or she may make other arrangements in advance that are satisfactory to the employee and his or her supervisor.

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top rate shall be entitled to the employee's step-in-progression rate in the current schedule of Appendix A at the time in the pay grade at which pay was suspended (time towards the next progression step will not be counted until the conditions in the first or second paragraph are met). Subsequent rate increases will follow the time intervals in the schedule of Appendix A.

(D) Pay Schedules:

The Weekly Pay Rates Listed in Appendix A shall be applied as follows:

(a) Upon Hiring: The Starting Rate is the minimum salary to be paid new employees when they enter the Company's service.

(b) When Classification is Changed: When an employee's classification is changed, his or her salary shall always be based upon his or her regular classification (as distinct from temporary upgrading), and shall be affected in accordance with the reason for the change as follows:

- (1) In case of Promotion, Transfer, Bid or Other Move to a Higher Job Classification: When an employee is promoted, transfers, bids or otherwise moves to a higher job classification, he or she shall be entitled to the lowest salary rate for the new classification that is at least \$10.00 per week higher than his or her existing rate for his or her regular classification. However, the employee's rate of pay

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shall be no lower than any rate previously earned within the same type of progression and for the same or a lower classification existing in the progression in which the promotion or transfer occurs unless subsequent lower rates of pay resulted from demotions, transfers, bids or other moves to lower classifications or exercise of 56-day return rights.

(2) **In Case of Transfer, Bid or Other Move to an Equivalent Job Classification:** When an employee transfers, bids or otherwise moves to an equivalent job classification, he or she shall be entitled to his or her existing rate for his or her regular classification.

(3) **In the Case of Transfer, Bid or Other Move to a Lower Job Classification:** When an employee transfers, bids or otherwise moves to a lower job classification, he or she shall be entitled to the rate for the new classification that is next below his or her existing rate for his or her regular classification.

(c) **After Assignment in Classification:** If the employee is in pay progression in his regular classification, his or her first increase following assignment to the new classification shall be effective on the date of his or her next scheduled increase in his or her former regular classification. If the employee is at the maximum scheduled rate for his or her regular classification, rate increases shall follow the time intervals in the schedule of Appendix A. If an employee at the maximum rate has accrued time in a

Sections 4.1 – 4.2

Employees transferring into a work group during the year will be put on the overtime eligibility list at the overtime average for the group. The method of zeroing out of overtime shall be determined annually through mutual agreement in shop committee. Failure to agree shall result in all employees being zeroed out on January 1st of each year.

In order to maintain service to the public, it is agreed that the Company must and does reserve the right to require overtime work under certain circumstances. Nevertheless, this will be done only when, in the judgment of the responsible supervisor, the need for such work cannot adequately be met on a voluntary basis.

(B) **Definition of Overtime:** Overtime is defined as time worked prior to or after an employee's regularly scheduled working hours or time worked during nonscheduled working days.

(C) **Overtime Calculation:** Overtime will be paid for all time worked in excess of scheduled hours, computed to the nearest quarter hour.

(D) **Time Sheets:** Whenever overtime work has been performed, an employee whose time sheet for payroll purposes is filled out by another person may upon request inspect the time sheet at the end of the workday, or may inquire at the beginning of the next working day by phone in those instances where the time sheet is filled out at another location or has been filled out after the employee is released from work.

classification that is in the same type of progression and is parallel or higher to the new classification, the employee shall be entitled to no less than the step and pay progression point attained in that classification since reaching maximum.

4.2 – Overtime

(A) **Overtime Policy in General:** It is the policy of the Company that employees who would be considered as subject employees according to the definitions of the Fair Labor Standards Act shall receive compensation for overtime worked. Such employees will be referred to as "Overtime" employees and when, in accordance with established practice, overtime is paid, the overtime rate shall be time and one half, except as provided under paragraph (G) (Extensive Overtime Work) hereof.

The Company and the Union mutually agree that overtime work will be held to a minimum and that compulsory overtime work will be avoided wherever feasible. It is further agreed that the Company retains the right to take alternative steps to avoid overtime work. Where overtime work is assigned, the opportunity to work overtime will be spread as equally as practicable on a calendar-year basis among those qualified employees who perform the work on a straight-time basis at a given work location; subject, however, to the procedure outlined in the following paragraph hereof:

Overtime shall be tracked on a cumulative basis.

(E) **Overtime Meal Allowance:** An employee will be provided a meal allowance of \$13.50 any time his or her working time is ten hours and 30 minutes or more, or if he or she works a short-notice call-out of four hours or more (actual working time and travel time) that does not continue into his or her regularly scheduled workday. In addition, a meal allowance will be provided every five hours of continuous work after the employee has worked the ten hours and 30 minutes, plus a time allowance of one-half hour in order to eat a meal.

A field employee working alone who has not been instructed otherwise may, if he or she has worked two and one half hours or more of extended day overtime under non-emergency conditions, choose to eat a meal either before or after completing work.

In the case of a crew, the employee in charge will make this decision and notify the dispatch office if a meal break is being taken before completing work. An employee may similarly receive a meal allowance if a short-notice call-out has caused the employee to miss his or her usual meal.

(F) **Short Notice Call-Out:** A short-notice call-out occurs if, with less than 12 hours notice, the employee is called out to work. Travel to and from a short-notice call-out which does not extend into the employee's regularly scheduled workday or which occurs on a scheduled day off is considered time worked and is paid. If the call-out extends into the regularly scheduled workday, travel time is not paid unless it is in excess of the employee's

normal home to base commuting time.

If an employee is called out to work during a period not immediately preceding his or her scheduled workday, and is released from such duty prior to the commencement of his or her regularly scheduled workday, or is called out on his or her scheduled day off without having received at least 12 hours' notice prior to such call-out, the following shall apply:

(1) His or her travel time to and from work shall be counted as working time.

(2) For such a call-out, he or she shall be assured of receiving not less than two hours' time (working time plus travel time) at overtime pay, except that for a call-out dispatched to him or her on or after 11:00 p.m. and before 6:00 a.m., he or she shall be assured of receiving not less than four hours' time (working time plus travel time) at overtime pay.

(3) An employee who accepts such a call-out that is subsequently canceled before he or she leaves his or her home, shall receive the minimum overtime payment he or she would have been entitled to receive had the employee actually reported to work.

The four-hour minimum overtime guarantee period (working time plus travel time) for employees working swing shift or graveyard shift is 2:00 a.m. to 9:00 a.m. for swing shifts and 10:00 a.m. to 5:00 p.m. for graveyard shifts in lieu of the four-hour minimum overtime period between 11:00 p.m. and 6:00 a.m.

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If a minimum overtime guarantee period extends into an employee's regularly scheduled workday, he or she will continue to be paid at the overtime rate in lieu of straight-time pay to the extent necessary to satisfy the two-hour or four-hour minimum overtime guarantee period. The balance of his or her time worked during his or her regularly scheduled workday will be paid at the straight-time rate, except as provided below.

An employee called out on short-notice should be given a rest period of nine or more hours after release from duty if he or she does not have at least five continuous hours off (excluding working time and paid travel time) between: (A) 11:00 p.m. and 6:00 a.m. for day shifts; or (B) 2:00 a.m. and 9:00 a.m. for swing shifts, or (C) 10:00 a.m. and 5:00 p.m. for graveyard shifts.

The following conditions apply:

- Time not worked and not paid as travel on a two- or four-hour minimum is included as time off.
- In the absence of any instructions to the contrary, if the employee does not receive the five-hour rest period, the employee shall not return to the job until a lapse of nine hours, or until the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return voluntarily, overtime for the regular shift shall be waived.
- To the extent the nine hours off the job extends into the employee's regularly scheduled shift, the employee will be paid straight-time rate.

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Section 4.2

When an employee has returned home after completion of a short-notice call-out, or has had a call-out canceled as provided above, and is called out again on a short-notice basis within the period for which he or she is guaranteed pay as defined above (two or four hours), the employee shall be assured of receiving not less than the appropriate minimum pay period guarantee (two or four hours) from the time of the last call-out. In no event, however, will short-notice call-out guarantees be compounded.

Employees who use their personal cars, trucks, or motorcycles to report to the job or to their base location on a short-notice call-out that does not extend into the regularly scheduled workday shall be allowed 36.5 cents per mile per round trip of up to 60 miles, and the existing casual mileage rate per mile thereafter, subject to a minimum reimbursement of \$5 per calendar day of such use (only one daily allowance for a single call-out that overlaps two calendar days). If the casual mileage rate is increased or decreased due to IRS changes, the prevailing casual mileage rate shall be used for all mileage driven. A personal car is one that is not a Company vehicle.

(G) Extensive Overtime Work:

I. Twelve-hour Rule

Under some conditions, an employee may be required to be on duty during an extended interval of time. Time worked includes required standby at the job site, base location, etc., but excludes time spent at home, motel,

etc., and time not worked during a two-hour or four-hour call-out minimum. Travel time to and from work is paid if it does not coincide with the regularly scheduled workday. Double the straight-time rate is paid for time worked in excess of 12 continuous hours or 12 cumulative hours occurring at different intervals since the employee's last period of eight or more hours off the job. Double-time payments for time worked continue until a rest period of nine or more continuous hours is achieved.

(1) In calculating the 12 hours toward extensive overtime, all time worked since the last rest period of eight or more hours, including regularly scheduled shifts, time worked on short-notice call-outs, and travel time which does not extend into a regularly scheduled shift, are considered.

(2) A rest period is defined as the lapse of time occurring between being released from duty at the job site or at the base location, plus any paid travel time, and the time of reporting back to work. Paid travel time is not considered as part of the rest period.

A rest period of nine or more continuous hours off the job is required between any period of time worked, as defined above, to avoid accumulation towards 12 cumulative or continuous hours or to stop double-time pay after employee is already in a double-time situation.

A rest period of nine or more continuous hours off the job is required between any period of time worked, as defined above, to stop double-time pay after an

employee is already in a double-time pay situation for extensive overtime.

Time taken for meals at the job site in conjunction with work is considered working time. Ordinarily, mealtime is not considered working time; however, time is paid for meals eaten at the job site.

In the event that an employee is excused by his or her supervisor from working a portion or all of his or her regularly scheduled workday because the employee has been on an extended overtime assignment, the employee shall be paid at the straight-time rate for any such regular hours that are not worked.

The extent of excused time shall be determined by the mutual agreement of the employee and his or her supervisor after discussion of the work requirements of the job and the physical condition of the employee. If a dispute occurs, the decision of the supervisor shall stand at the time, but shall be subject to the grievance procedure in those cases where the employee believes the extent of excused time to have been insufficient because of his or her physical condition.

In the absence of any instructions to the contrary, after the extensive overtime work assignment is over, the employee shall not return to the job until a lapse of nine hours or the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return sooner voluntarily, double-time payment shall be waived for all time worked after he or she returns.

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Sections 4.2 - 4.3

be followed, in sequence:

- (1) Employees who call in shall be offered the opportunity to quit work before 8 hours if they wish to do so.
- (2) Useful work shall be assigned to those who wish to continue working, to the extent practicable.
- (3) If no useful work can practicably be assigned, the remaining employees shall be released. Paid "standby" is used only to the extent that the Company may decide it is needed to cover emergency needs.

If a planned call-out is canceled with less than 10 hours' notice, the affected employees shall receive two hours' overtime pay, whether or not they report to work at the previously established time of the planned call-out.

4.3 - Premiums

All premium rates listed shall be adjusted 2.25% effective January 1, 2005, 2.25% effective July 1, 2005, 3.5% effective July 1, 2006, and 3.75% effective July 1, 2007.

(A) **General Statement:** Employees who are scheduled and who work on the swing shift shall receive premium pay at the rate of \$1.05 per hour worked on such shift. Employees who are scheduled and who work on the graveyard shift shall receive premium pay at the rate of \$1.34 per hour worked on such shift. A scheduled shift is one that is part of the 40-hour workweek (including holidays that fall within an employee's 40-hour

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II. Consecutive-Day Rule

When an employee works for seven consecutive days, all time worked on the **seventh** day and **all** succeeding scheduled days off without a full day off, will be paid at double-time rates. This section covers full days and call-outs for partial days.

For purposes of determining eligibility under the Consecutive-Day Rule, days not worked, including paid and unpaid time, are not considered.

Employees who trade with other employees and thereby work on their scheduled days off, shall not be entitled to the double-time premium hereunder. Time worked on a traded day will not count toward eligibility for double-time pay under this section unless the traded day becomes a mandatory workday.

(H) **Emergency Postponement of Lunch Periods:** Operating emergencies may force unusually long postponement of the lunch period. In such circumstances, if the period is not started within the first 5-1/2 hours of the scheduled shift, the employees will be considered to have worked one-half hour outside their regular schedule and will eat their lunch as work permits.

(I) **Planned Call-Out Policy:** When an "8-hour" call-out is offered to employees on a holiday or on a scheduled day off, it is the Company's expectation and intent to provide 8 hours of work if such work is available. If during the day in question it develops that there is not enough work for everyone, the following procedure shall

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workweek). Employees who are scheduled to work and who work a combination of a regular eight-hour day and a swing or graveyard shift during a scheduled workweek of seven days shall receive triple the applicable premium rates herein and in paragraphs (C) and (D). The foregoing premium rates do not apply to temporary and part-time employees.

(B) Definition of Shifts:

- (1) **Swing Shift:** All shifts beginning on or after 12:00 p.m. but before 8:00 p.m. and all shifts beginning on or after 4:00 a.m. but before 6:00 a.m. shall be considered swing shifts.
- (2) **Graveyard Shift:** All shifts beginning on or after 8:00 p.m. but before 4:00 a.m. shall be considered graveyard shifts.

(C) **Split Days Off:** Any full-time employee whose regular straight-time schedule for the workweek provides a day off that is not directly preceded or followed by another day off (whether or not within the same workweek) shall receive premium pay at the rate of **48** cents per hour for work performed on such schedule throughout the week. An employee on such a schedule who has a scheduled day off on Tuesday, Wednesday, or Thursday, or an employee who works a six-day schedule with two scheduled half-days off, shall receive premium pay at the rate of \$1.15 per hour for work performed on such schedule throughout the week.

(D) **Sunday Work:** Employees who are scheduled and

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who work on Sunday shall receive premium pay at the rate of **\$2.52** per hour worked on such schedule. Employees who are scheduled and who work on the swing shift or the graveyard shift on Sunday shall receive shift premiums in addition to the Sunday premium.

(E) On-Call Pay: Employees who serve on on-call assignments must stay within 30 minutes' driving time of the employee's base location during the period of the on-call assignment. The employee has the responsibility of ensuring that his or her communications equipment (telephone, pager, radio) is working properly and to have such equipment at his or her disposal at all times during the on-call period. The employee shall immediately notify the Company of any malfunctioning communications equipment and agree upon an alternative means of contact. By mutual agreement between the Company and the Union, alternative residency requirements for on-call employees may be established with regards to the "30 minute rule".

Employees who serve on a week-long, on-call assignment during off-duty hours as a job requirement shall receive a premium of **\$123** above their regular weekly rate for each week of such assignment and **\$126** for a week-long, on-call assignment which includes a holiday. Employees who serve on weekend and holiday on-call assignments shall receive a premium above their regular weekly rate of **\$69** for an ordinary weekend, **\$93** for a weekend preceded or followed by a holiday; and **\$47** for a holiday alone. Such premium shall be paid for

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remove the normal requirement that the employee is subject to on-call if needed. Mandatory on-call in accordance with the provisions of this section shall be imposed whenever insufficient numbers of volunteers are available.

If an employee, in order to cover a potential emergency situation, (1) is assigned overnight to a specific motel or hotel away from home and is required to remain at that location to await possible calls to active work; and (2) within a period of 24 hours following the start of such assignments does not accrue overtime for paid travel time and working time of at least 8 hours, the Company shall grant such employee additional overtime pay up to a total of 8 hours. If the assignments continue beyond 24 hours, the employee will in the same manner be assured of receiving at least 8 hours' overtime pay for each 24 hours of the assignment, with prorated payments calculated to the nearest even hour for additional periods of less than 24 hours.

The employee shall also receive On-Call Pay according to the length of his or her assignment, in proportion to the On-Call premiums specified in this Section.

(F) Bilingual Premium: Employees who are qualified in a second language and are assigned bilingual contact responsibilities with customers, and the position is identified in the System Wide Bid book as "bilingual", shall receive a premium of **51** cents per hour.

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the workweek that includes all or most of the time of the on-call assignment. Furthermore, for each on-call holiday on which the employee is not called out, an additional premium of **\$37** shall be paid. On-call assignments of less than one week include all time after the close of work on the preceding workday to the start of work on the following workday.

If on-call assignments are established in additional groups that do not have such assignments as of the effective date of this Agreement, employees who are regular incumbents in the jobs affected shall have the right to refuse such assignments unless they have first been negotiated with the Union. It is understood, however, that on-call assignments may be required of employees who have been informed of the requirement prior to entering the job on a regular basis.

Except where only two qualified employees are based in the area, on-call assignments shall be made no more frequently than once every third week to any one employee, except for necessary trading off for vacations, illness, etc., or for more frequent assignments that are strictly voluntary. In a few isolated locations having only two qualified employees (in or out of the bargaining unit), on-call assignments are rotated between those two. After on-call assignments have been established in a particular group, such assignments may be filled on a voluntary basis by mutual agreement in Shop Committee, as long as sufficient numbers of volunteers are available. Such arrangements, however, do not

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Once assigned, employees with bilingual responsibilities may not voluntarily transfer to available non-bilingual positions within the job progression for one year.

4.4 – Benefits

(A) Vacation:

1. Vacation Allowance

Paid vacation is as follows: a regular employee who completes his or her first year of service shall be entitled to vacation pay in accordance with the following table:

Month of Employment Days of Vacation

January and February	10
March	9
April	8
May	7
June	6
July	5
August	4
September	3
October	2
November	1
December	0

In and following the subsequent calendar year, two calendar weeks or 80 hours per year. In the calendar year in which the sixth year of service is completed and each calendar year thereafter — three calendar weeks or 120 hours per year. In the calendar year in which the

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16th year of service is completed and each calendar year thereafter — four calendar weeks or 160 hours. In the calendar year in which the 24th year of service is completed and each calendar year thereafter — five calendar weeks or 200 hours. In the calendar year in which the 32nd year of service is completed and each calendar year thereafter — six calendar weeks or 240 hours. Service years are completed service with the Company, running from the day, month and year recorded as the official date of the employee's entry into such service.

In the calendar year in which the fifth year of service is completed and in each fifth year thereafter, a service anniversary vacation allowance of one calendar week or 40 hours shall be granted in addition to the employee's regular vacation allowance for that year.

If an employee returns after July 1 from a continuous absence from work of six months or more, the employee's vacation allowance for that year shall be reduced by one-sixth for each month or fraction thereof between July 1 and the date of the employee's return. Such reduction shall be calculated to the nearest full workday. Such reduction shall count toward the requirement set forth in the following paragraphs covering Conditions Governing Vacation Allowance that an employee must take a vacation of at least one workweek each year. If the employee already has had a vacation in the current calendar year, no reduction shall be applied in the following year.

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workweek may add the remainder to their vacation in a later year; provided, however, that the maximum vacation allowance that may be carried over from one year to the next is three calendar weeks or 120 hours plus any odd hours less than one day. Holiday credits earned during the year will not be counted in calculating the 120-hour maximum that may be carried over. Unused holiday credits are carried over to the next year and remain holiday credits until used or cashed out when employee terminates or leaves the Company voluntarily.

Should a recognized holiday, as provided herein, coincide with an employee's scheduled vacation time, equivalent time will be added to the employee's vacation allowance. However, in order to grant prime vacation time to the maximum number of employees consistent with Company needs, vacation periods may be assigned in even workweek units. Should an employee be left with an odd day or two of vacation because of this requirement, he or she may to the extent necessary exceed the maximum accumulation of vacation at the end of that year upon application to the employee's supervisor.

Should an employee be off sick on his or her scheduled vacation time, the employee will be permitted to change his or her vacation to a subsequent date, which will not conflict with another employee's vacation. Any employee who shall become ill during his or her vacation period may be permitted to cancel the remaining period of such vacation and reschedule it for a date subsequent to the employee's return to duty and

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II. Conditions Governing Vacation Allowance

Insofar as possible, vacations shall be scheduled on a voluntary basis with respect to the normal choice of the employee and the convenience of the Company. Vacation shall be scheduled in accordance with Company needs at any time during the calendar year. When convenient to the Company, an employee may schedule his or her current year's vacation to include the final week of the year, or to overlap into the following calendar year, providing the first day of such vacation is December 31 or earlier. An active employee may schedule the following year's vacation to begin on the first workday of the new year unless he or she is off without pay (or with pay for other than scheduled vacation) at the end of the year. Subject to operating needs, such vacation may coincide with the previous year's allowance. However, an employee must work at least one day in the new year following an absence for reasons other than prior scheduled vacation before being entitled to the new year's Vacation Allowance.

Vacations are scheduled in minimum increments of whole days. Use of vacation allowances in one-hour increments may be authorized up to a maximum of the total scheduled shift for eight (8) and ten (10) hour schedules, when operating necessity permits, at the request of the employee or for Personal Business reasons when the Personal Business allowance is depleted.

Employees who take a vacation of at least one

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for a period which will not conflict with another employee's vacation; provided that such employee shall notify the appropriate supervisor of the situation at the onset of the illness and shall present appropriate written evidence of such illness upon return to duty.

An employee whose service terminates after the completion of his or her first year of service shall receive payment for any portion of his or her first year's vacation allowance that has not been used plus one-twelfth of the employee's second year's vacation allowance for each completed month of service in the employee's second service year. An employee whose service terminates after the completion of his or her second year of service, or who terminates on or after July 1 in any subsequent calendar year, shall receive payment for any portion of his or her vacation allowance that has not been used. An employee who terminates before July 1 in the calendar year in which he or she completes or would complete his or her third or subsequent year of service shall be eligible for one-sixth of his or her current annual vacation allowance for each completed month of service in the calendar year. If, at the time of termination, an employee already has taken more of his or her vacation than the applicable prorated allowance provided above, the employee's final paycheck shall be reduced accordingly, unless such used vacation was completed two weeks or more prior to the last day of work.

III. Vacation Periods

Vacation periods shall be assigned to employees in strict

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seniority order. However, in order to assure seniority preference for their entire vacation period, employees who have accumulated extra vacation must declare their intention to use it by February 1. Employees who split their vacations shall have only one seniority preference, except that seniority preference may be applied to any remaining unscheduled vacation time after all other employees in the scheduling group have expressed their first preference.

With the exception of those employees who change jobs or work locations under Article V, (Position Opportunity System) employees may carry with them one vacation period (consecutive days) of their choice which had already been approved and scheduled prior to the move.

IV. Buy or Sell Vacation Policy

Represented employees have the option to buy or sell vacation as follows:

- Employees may purchase or sell up to 40 hours of vacation in 8-hour increments.
- Any purchased vacation is used last.
- **Any purchased vacation not used or pre-posted by the last pay period of any given year, will be paid out in the last paycheck of the year.**
- Annual base pay as of August 31 is used to calculate purchased or sold vacation. (This date is currently used, and may be changed in future years to accommodate administrative requirements.)

- The election to buy or sell occurs annually and only during open enrollment. Purchased vacation is paid for by payroll deduction. Sold vacation is paid in one lump sum.

(B) Sickness Allowance:

Short-term Annual Accrued Sickness Allowance:

Employees in active service who have completed six months or more of regular employment shall receive the following accrual of short-term annual sickness allowance when absent due to sickness or injury:

Completed service by end of calendar year in which disability begins	Full pay allowance after the first six months of service for the following number of days or calendar weeks during any calendar year	
	Calendar Weeks or Working Days	Equivalent or Working Hours
6 months	1 week	40 hours
1 year	1 week	40 hours
2 years or more	2 weeks	80 hours

*Effective January 1, 2003

Fifty percent of an employee's short-term annual accrued sickness allowance may be used to attend to an illness of the employee's spouse, child, or parent as those terms are defined in California law. The Company reserves the right to verify the illness of an employee's spouse child or parent according to California law.

Definition of Current Term Sick leave: any illness that is 3 days (24 hours) or less.

Extended-term Paid Sickness Leave:

Employees in active service who have completed three (3) years or more of regular employment shall receive the following Extended Term Paid Sickness Leave, in addition to the Short Term Annual Sickness Allowance:

Completed service by end of calendar year in which disability begins	Calendar Weeks Equivalent or Working Days or Working Hours	
	Calendar Weeks	Equivalent or Working Hours
3 years	1 week	40 hours
4 years	1 week	40 hours
5 years	2 weeks	80 hours
6 years	3 weeks	120 hours
7 years	4 weeks	160 hours
8 years	5 weeks	200 hours
9 years	6 weeks	240 hours
10 years or more	7 weeks	280 hours

Any portion of an employee's "Extended Term Paid Sickness Leave" which has been used during any calendar year will be replenished the first day of the next calendar year. An employee's Extended Term Paid Sickness Leave is not an annual accrual and is not subject to use for spouse, child or parent.

Any employee whose extended sick leave has been exhausted may elect to apply unused Current term sick allowance to his or her extended sick leave allowance.

Completed service with the Company runs from the day, month, and year recorded as the official date of the employee's entry into such service.

The Extended Sick Leave of an employee who will have completed ten or more years of service by the end of the calendar year in which a disability begins shall be increased by four weeks (160 working hours) if he or she has been absent because of illness or injury less than 160 hours in the previous five calendar years (averaging less than one week per year). Unpaid absence shall be included in calculating said 160 hours, but absence because of industrial accident shall not be included. Once an employee has earned the "bonus" allowance of 160 working hours as defined in this paragraph, it shall remain a part of his or her Extended Sick Leave to be reduced only by the extent to which he or she may receive more than 280 working hours of Extended Sick Leave in any calendar year. If the "bonus" allowance is so reduced, it may be restored to 160 working hours by another period of five consecutive calendar years in which the employee is absent because of illness or injury less than 160 hours.

Sickness Allowance shall not be paid by the Company for time lost by an employee due to occupational injuries or disabilities arising out of or in the course of any gainful employment with an established employer other than the Company, subject to the California Workers' Compensation Law.

Conditions Governing Sickness Allowance:

An employee who is unable to work due to sickness is required to notify his or her supervisor, or someone designated to receive such notice, as promptly as

possible. In a line of work in which a substitute must be secured for each absent employee, the supervisor in charge shall determine and post the time and conditions under which advance notice of absence due to sickness shall be furnished. Notice of absence due to sickness may be given personally by the employee or through another person. When notice is not provided, Sickness Allowance shall be paid only when the disability is verified by a physician, and when the employee furnishes evidence that circumstances beyond his or her control prevented giving notice.

The Company reserves the right to verify the disability of any employee through its own medical staff or by requiring a doctor's certificate in connection with the payment of Sickness Allowance or Disability Benefits. With the exception of employees who have open workers' compensation cases, and thus recourse through an Agreed Medical Examiner, when there is a disagreement between the employee's medical doctor or psychiatrist and the Company medical staff regarding whether the employee is medically able to work, a third doctor shall be randomly selected from a list provided by the Los Angeles County Medical Association. The list shall include six general practitioner M.D.s and six specialists in each major specialty category, and random selection shall be through the Disability Management Services.

If the Company medical staff's decision is upheld, the employee shall pay the full cost of obtaining the third opinion and no Sickness Allowance nor Disability

Benefits will be granted. If the employee's doctor's opinion is upheld, the Company will pay for the third opinion and transportation costs and will grant Sickness Allowance/Disability Benefits (if available) for the actual time of illness. Upon returning to work from a disability, an employee will receive the allowance he or she would be entitled to for the current year. Such an employee who returns to work, but then must leave work within a period of 180 days for reasons related to the original disability, will be immediately reinstated to the disability payroll without benefit of any sickness or vacation allowance. Such an employee who is assigned to light duty without change in classification, but is returned to disability because of lack of light duty work, shall not be eligible for a new annual Sickness Allowance but shall be eligible for a Vacation Allowance in the new calendar year.

Any employee whose Sickness Allowance has been exhausted may elect to apply unused Vacation Allowance, including any holiday credits earned under the provisions of Section (E) (Holidays) below, for which he or she was eligible at the commencement of his or her absence, for additional absence on account of sickness or injury. If sufficient unused Vacation Allowance is available, the waiting period of 60 calendar days prior to the effective date of Disability Benefits under the Pension and Benefit Agreement may be extended until the first day after all or any part of such Vacation Allowance has been used.

(C) Industrial Accident Allowances:

Any regular employee who has completed six months of service and who is injured in an accident under which he or she is entitled to the benefits of the California Workers' Compensation Law shall have his or her compensation payments supplemented by the unused Sickness Allowance provided by Section (B) (Sickness Allowance) above, in the following manner: his or her current unused Sickness Allowance at the onset of the industrial disability figured in dollars shall be available to raise his or her total payments to equal straight-time pay for the scheduled working hours until such Sickness Allowance shall have been exhausted. If sufficient unused Sickness Allowance is available, the waiting period of 60 calendar days prior to the effective date of Disability Benefits under the Pension and Benefit Agreement shall be extended until the day that such Sickness Allowance is depleted to the point that it produces a lower benefit than the employee is eligible for under the Disability Benefit Plan. After a portion of the employee's Sickness Allowance has been used as provided for above in case of industrial disability, any remaining portion of his or her Sickness Allowance figured in dollars shall be available for application in subsequent cases of sickness or industrial injury during the same calendar year.

Unused Vacation Allowance may be applied in the same manner, on the basis set forth in Section (B) (Conditions Governing Sickness Allowance), provided that any remaining portion of the Vacation Allowance figured in dollars shall be rounded to the nearest full day and considered to be unused vacation.

(D) Family Care Leave:

Conditions of Leave:

(1) A family care leave of absence without pay may be granted to a full-time employee who has completed six months of employment and who wishes such leave:

- a. for the birth of the employee's child and to care for the newborn child;
- b. for the placement with the employee of a son or daughter in connection with adoption or foster care; or
- c. to care for the employee's spouse, son/daughter (biological, adopted, foster, stepchild, or legal ward), or parents (biological or viewed as such) with a serious health condition. For the purpose of this policy, a serious health condition means an illness, injury, impairment, or physical or mental condition that requires participation of a family member to provide care during a period of incapacity, treatment or supervision that involves either inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or supervision by a health care provider.

(2) An employee may take up to a maximum of six months unpaid leave within a two calendar year period (24 months). Except that should an employee use more than three months of leave in the first calendar year, the employee will be eligible for an additional 12 weeks of leave at the beginning of the second

calendar year under FMLA and CFRA (California Family Rights Act). In order to be considered a leave, an employee's request for absence must be more than three working days.

Such leave may be taken intermittently or on a reduced work schedule subject to the supervisor's concurrence, or as required by applicable federal and state laws.

(3) For purposes of tracking and determining maximum leave, a calendar year shall be used (January through December).

(4) Such leave (or any extension of leave) requires written notice to the Company indicating the length of time required and expected return to work date of the employee. An employee must provide the Company with at least 30 days advance notice before such leave is to begin if the leave is foreseeable. If 30 days notice is not practical because of medical emergency or a change in circumstances, or the leave is not foreseeable, notice must be as soon as practical.

In the instance where leave involves care of a family member, the Company may require the employee's request be supported by a certification issued by the health care provider.

(5) An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of the twelve-month period beginning on the date of birth or placement.

(6) In the case of a request for intermittent or reduced schedule leave, the Company may temporarily transfer the requesting employee within their present location to an available alternative position of equivalent pay and benefits which the employee qualifies for in order to accommodate the request.

(7) While on leave, employees shall accumulate seniority for the period of such leave if they return to work upon conclusion of the leave.

(8) Employees exercising their right to California Paid Family Leave may, at the employee's option, choose to use available vacation during the initial one (1) week waiting period.

Leave Substitution:

Absences taken for a serious health condition will reduce the amount of family care leave for which an employee is eligible except that pregnancy disability shall not reduce leave entitlement under Section 4.4 (D)(1.) a.

Continuation of Benefits During Leave:

(1) Medical, Dental, Vision and Basic Life Insurance: An employee may elect to continue his or her medical, dental, vision and life insurance coverage at the active employee rate for 12 weeks of such leave. The 12 weeks is reduced by any period of time during the calendar year the employee is absent due to a serious health condition or other family care leave during which the employee was receiving these benefits. If leave continues past 12 weeks, the employee shall be

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responsible to pay the total costs (employee and Company) of these benefits in order to continue coverage, except as otherwise provided by Company policy.

(2) Employee-Paid Life Insurance and Accidental Death and Dismemberment (AD&D): An employee may elect to continue employee-paid life insurance and AD&D during leave. In which case, the employee will be responsible for the full cost of coverage.

(3) If a leave occurs during the annual open enrollment period, an employee will have the same options that would be available if the employee were on active status.

Arrangements to continue coverage should be made with Employee Benefits as early as possible following approval of leave in order to ensure uninterrupted coverage. Should an employee not return to work from leave, the Company will be entitled to reimbursement for the Company's contribution for medical, dental, vision and basic life insurance premiums paid during the leave. Recovery may be made through deduction from any final pay due the employee.

Use of Paid Absence in Conjunction with Leave:

If a leave request is for intermittent absence or a reduced schedule, an employee may, at the time of departing on leave, use available vacation, holiday credit and personal business allowance to substitute for unpaid

leave. Use of such paid time will not extend the duration of the leave period.

If a leave request is for more than ten consecutive working days, employees will be paid for all available vacation at the commencement of such leave in accordance with Section 4.4 (Conditions Governing Vacation Allowance).

Termination:

An employee is subject to termination if the employee:

- (1) misrepresents the reason for a leave;
- (2) engages in other employment while on leave without notifying the Company and receiving prior approval;
- (3) fails to report to work on or before the expiration of the leave;
- (4) fails to obtain a leave extension when additional absence is needed;
- (5) fails to provide the Company with necessary health certification.

Return From Leave:

An employee returning from a family care leave shall be returned to his or her regular classification or an equivalent classification at the same location within five working days of notice by the employee. Should an employee determine during the leave that the entire leave period requested will not be needed, the employee

must notify the Company and return to work within five working days.

(E) Holidays:

The holidays observed by the Company are:

New Year's Day	Veteran's Day (Nov. 11)
Marlin Luther King, Jr.'s Birthday	Thanksgiving Day
President's Day	Day after Thanksgiving Day*
Memorial Day	Day before Christmas
Independence Day	Christmas
Labor Day	

The Day before Christmas holiday shall be observed on December 24, except when Christmas is on Sunday or Monday, when it shall be observed on the preceding Friday.

In addition, upon completion of six months of service, each employee shall be eligible for two holiday credits in the current calendar year and in each calendar year thereafter in which the employee is actively at work during some portion of the year.

These holiday credits will be treated as additional earned holiday credits as provided below. By giving his or her supervisor at least two weeks' advance notice, any employee may elect to have one of these holidays on his or her birthday. If the employee's birthday falls on a day off, the employee may specify the workday nearest his or her birthday. If the employee's birthday falls on a single day off, he or she may specify either the workday

*Consistent with work load and public service requirements, certain employees may be scheduled to work on this day.

preceding or the workday following. Employees whose birthday is February 29 shall exercise their holiday option as of February 28. The Company further agrees, with the same advance notice, that it shall make every reasonable effort to allow employees to use their holiday credits to meet a bona fide religious need to take a day off for a religious holiday or function, subject only to the right of the Company to require attendance in an operating emergency.

Employees may be scheduled to work Sundays as part of their regular schedule, where operations or service require the maintenance of such schedules, without becoming eligible for overtime compensation.

(1) If any of the holidays observed by the Company fall on Sunday, it shall be observed on the following Monday.

(2) If an employee works one or more of the recognized holidays on a regular shift, the employee shall receive overtime pay for that day or may elect to have equivalent time off added to his or her holiday credits.

(3) If a holiday falls on Sunday, or if Christmas falls on a Sunday or Monday, and is part of the employee's regular schedule, he or she may elect to receive overtime pay for the actual holiday or to have equivalent time off added to his or her holiday credits. The actual holiday shall be in lieu of the Company-observed holiday and the employee must work the actual holiday.

(4) All time worked after eight hours on a holiday shall be paid at double the straight-time rate.

(5) If a recognized holiday coincides with an employee's scheduled day off, the employee shall have equivalent time off added to his or her holiday credits.

(6) Holidays added to an employee's yearly holiday credits may be taken at any time after the holiday occurs.

(7) If an employee terminates his or her employment before his or her additional earned holiday credits have been used, the employee shall receive one day's pay at straight-time for each day of unused credit, at the rate in effect at the time of the employee's termination.

(8) The Weekly Rates in Section 4.1 (Pay Structure) include payment for the holidays which occur within the employee's working schedule.

(F) Leaves: Military and Personal

I. Military Leave of Absence

Any regular employee of the Company who enters the armed forces of the United States under the provisions of the Uniform Services Employment and Reemployment Rights Act of 1994 or any amendment thereof shall be subject to the practices outlined in this Section (probationary employees shall be entitled to the benefits provided by law):

(1) Any such regular employee shall automatically receive Leave of Absence for the full period of active duty required, with no impairment of seniority, and with the right to return to work if requested by him or her within the 90 calendar days next following the end of such active duty, provided the Company's circumstances have not so changed as to make such return to work impossible or unreasonable. However, Life Insurance and Disability Insurance Benefits as provided by the Life Insurance Plans and the Disability Benefit Plan shall be suspended during the term of such leave.

(2) The employee shall be entitled to pay for any vacation he or she may have coming at the time the employee is called to or volunteers for such active duty and, in addition, will be granted one week's time with pay as a military separation allowance. An employee returning from active duty whose vacation allowance is reduced by one week or more in the calendar year in which he or she returns will be granted one extra week of vacation in the following year.

(3) The following time allowances and Leave of Absence practices shall be observed where employees are called out for short-term encampments, and intensive military training periods of less than one year: employees who are members of the Officers' Reserve, National Guard, Naval Reserve, and like organizations, will be

allowed annually, in addition to their regular vacation, one week's time with pay for attendance at encampments or other prescribed training. The one-week allowance may be made in any units of one working day or more that the employee is required to be absent from his or her job. In lieu of such one-week pay allowance, an employee may elect the following alternative, provided such election is made in writing in advance of such leave, and provided further that such election must apply to the entire extent of such leave in that calendar year: For such attendance at encampments of not to exceed two workweeks or ten working days in any one year, the Company will pay such employee the amount, if any, by which the remuneration he or she receives from the Government is less than his or her regular Company pay would have been for the same period. Such items as subsistence, travel, uniform, and other allowances will not be included in computing the remuneration received from the Government. The Company will require satisfactory evidence of attendance.

If still more time is needed for the Guard or Reserve activities, employees may be allowed time off without pay for attendance, under regularly authorized Leave of Absence.

II. Personal Leave of Absence

Upon written application to his or her supervisor, a regular employee may be granted a leave of absence without pay and without loss of seniority, for a period of 30 calendar days or less for personal reasons other than to work for another employer, provided that adequate arrangements can be made to take care of the

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employee's duties without undue interference with the normal routine of work as determined by the Company.

Such leave of absence shall become effective on the date and at the time the employee is first absent from work by reason of such leave and shall terminate as of the date and time the employee resumes active work. It shall be understood that during such leave of absence the employee is not carried on the payroll and that he or she will not be paid for any holiday occurring during the leave. However, in cases of leaves of absence granted under this section or for short-term military encampments as described in the above section on Military Leave of Absence, an employee will be granted holiday pay for a holiday observed on his or her regular working day immediately preceding the employee's return to work. In the event a shortage of work occurs while an employee is on leave of absence, such employee will be considered as if at work, and any necessary reclassification or layoff shall be governed by his or her seniority rights and qualifications as compared with those of all other employees affected. An employee on leave of absence at the time of a layoff for lack of work shall be entitled to rehiring rights as though he or she had been at work at the time of such layoff.

Where an employee does not return to work upon expiration of a Personal Leave of Absence as provided above, the employee's employment is terminated. In

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such circumstances, where an employee who has completed five or more years of service prior to his or her termination, is unable to return to work because of a severe illness or injury to a member of his or her immediate family, and is re-employed by the Company within one year of the date of his or her termination, the employee shall upon re-employment be credited with the seniority accrued by the employee up to the time of his or her termination. In addition, the employee shall be reinstated with regard to Sickness and Vacation Allowances. The employee's status under the Life Insurance, Disability Benefit, Pension, and Savings Plans shall be determined in accordance with the then existing rules of said Plans.

(G) Personal Emergencies:

(1) Personal Business Time – General

Employees who have completed six months of service may be authorized time off with pay for any legitimate purpose that cannot be attended to during non-working hours and does not unduly interfere with normal operations. It is understood and agreed that an employee shall be required to inform the appropriate supervisor prior to taking the personal business time as to the reason for any absences in order that the Company may determine whether or not pay shall be sustained for all or part of such absences. The number of Personal Business hours for each employee shall be 16 hours per calendar year.

Personal Business will be used for "snow days."

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(2) Bereavement/Emergency Illness Time

Employees who have completed six months of service are eligible for Bereavement/Emergency Illness pay. The number of Bereavement/Emergency Illness hours for each employee shall be up to 24 hours per occurrence with a maximum of 48 hours per calendar year.

Pay is sustained for death of a member of the employee's immediate family or the immediate family of the employee's spouse. For Bereavement/Emergency Illness pay purposes, immediate family includes: employee's spouse, child, parent, brother, sister, grandparent or grandchild. Also included are legally declared relationships such as adopted or step relatives in the immediate family or the spouse's immediate family as defined above. For the purpose of this Section, the term "spouse" shall include domestic partner.

Emergency illness is defined as a life-threatening event of sudden onset requiring hospitalization or deterioration of an existing condition where, in either case, death appears imminent.

Pay is sustained to enable the employee to be with a family member or the family of the employee's spouse during an emergency illness where death appears imminent.

Verification of death or illness of family member may be requested by supervision.

Attendance at scheduled or non-emergency surgery

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where death is not probable or illness not of the nature defined above does not qualify for Emergency Illness time-off. These may be chargeable to Personal Business time-off.

(H) Jury Duty:

Employees shall be granted time off with pay for one period of jury duty service once every three years.

(I) Patents:

An employee is required to notify and disclose to the Human Resources Department in writing all inventions or improvements made or conceived by him or her during his or her employment relating to any phase of the Company's work or investigations, before filing any patent applications relating to such inventions and improvements. Promptly following such notification and disclosure, the Company shall advise the employee of its decision as to one of the following courses of action, provided that it determines that public disclosure of such inventions or improvements will not do harm to the Company nor reveal important confidential information:

(1) The Company will give the employee a written release as to all rights in the inventions or improvements; or

(2) The Company will give the employee a written release as to all rights in the inventions or improvements, subject to retention of shop rights by the Company; or

(3) The Company will pay the costs of filing a patent application in the United States relating to the inventions or improvements and will pay the costs of prosecution of such patent application before the primary examiner in the Patent Office but shall not be obligated to pay costs for appeals nor interferences. The employee may take over prosecution of the application at any time upon 30 days written notice to the Company, and at his or her own expense. The Company retains a royalty-free, paid up, nonexclusive license, and the employee is free to exploit the patent and the inventions and improvements subject to such license.

No provision of this Agreement is intended to require assignment of any of the employee's rights in an invention if no equipment, supplies, facilities or trade secret information of the Company was used, and the invention was developed entirely on the employee's own time; and the invention does not relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or does not result from any work performed by the employee for the Company.

(J) Employee's Personal Vehicle Insurance:

Consistent with Company Procedure 100.0130 with respect to the employee's use of his or her personal vehicle on Company business, the Company agrees to indemnify the employee for liability loss not covered by personal insurance and for physical damage to the

Sections 4.4 - 4.5

employee's vehicle within the insurance deductible or in excess of coverage but not to exceed \$500. Liability indemnification is contingent upon an employee having a valid policy of liability insurance for the vehicle. In no event shall the Company provide any indemnification or pay for any damage to the employee's vehicle if the Company ascertains that the employee:

(1) Has been driving while under the influence of alcohol or any other drug or substance which can impair his or her ability to drive.

(2) Has been driving recklessly.

(3) Has willfully caused the damage or liability.

4.5 - Special Provision

(A) Uniforms: To provide uniform appearance and ready identification, certain employees shall wear uniforms prescribed by the Company while performing their work. These uniforms shall be worn only in the course of the performance of this work, including related wear to and from the employee's home. The uniforms will consist of shirts and trousers for employees regularly performing this work and shirts for employees temporarily performing it. Uniform jackets will also be worn as required for employee comfort. The shirts and jackets will bear Company emblems.

The Company will provide sets of uniforms in appropriate quantities to the employees assigned this work as a part of their regular duties. Shirts in appropriate quantities and a jacket if required for employee comfort

will be provided to employees assigned this work on a temporary basis.

Employees provided uniforms will maintain them in a manner consistent with appropriate grooming for the work being performed, and will not allow them to be worn by anyone else.

Uniforms provided by the Company will be returned when replaced by the Company and when they are no longer required in the course of the employee's work assignments.

When purchasing uniforms for Meter Readers, walking shorts may be substituted for pants unless the supervisor believes such attire is a safety hazard. The decision of the supervisor will not be subject to arbitration.

The following classifications will be furnished uniforms suitable for work in which they are engaged:

Commercial Service Technician	Lead Construction Technician
Construction Technician	Lead Electrician
Electronic Energy Meter Tech	Lead Facilities Mechanic
Energy Technician Distribution	Lead Field Collector
Energy Technician Residential	Lead Fleet Technician
Facilities Mechanic	Lead Meter Mechanic
Facilities Helper	Lead Meter & Regulator Technician
Field Collector	Logistic Representative
Field Planning Associate	Measurement Electronics Tech
Field Service Assistant	Meter Reader
Fleet Technician	Meter Reader Technician
Fleet Assistant	Meter & Regulator Technician #1
Fleet Technician	Meter & Regulator Technician #2
Industrial Service Technician	NGV Station Technician
Journey Electrician	Transportation Logistics Rep
Journey Facilities Mechanic	

The following classifications will be furnished jackets:

Asst Telecommunication Tech	Lead Meter & Regulator Technician
Construction Technician	Lead System Protection Specialist
Energy Technician Distribution	Meter & Regulator Technician #1
Energy Technician Residential	Meter & Regulator Technician #2
Field Collector	Meter Reader Technician
Field Technician	NGV Station Technician
Field Service Assistant	Senior Telecommunication Tech
Lead Construction Technician	System Protection Specialist
Lead Field Collector	Telecommunication Technician

The following classifications will be furnished uniforms when they are regularly assigned to perform leak surveys or take Cathodic protection readings on private property:

Lead Planning Associate	Planning Associate
Lead System Protection Specialist	System Protection Specialist
Pipeline Planning Assistant	

(B) Coveralls: In general the Company will not undertake to furnish working clothes to employees, but the Company will provide coveralls for employees whose duties are such that it is impracticable for them to keep their clothing neat and clean and who come in contact with the Company's customers or with the public while performing such duties.

Eligibility for Coveralls: Three classes of employees will be furnished with coveralls, viz.:

- (1) Employees who regularly use them and who leave them in their lockers, etc., at the end of the day.

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- (2) Employees who occasionally require coveralls and who keep them available for use in vehicles driven by them in the performance of their duties.

- (3) Employees whose normal duties do not require them to use coveralls but who, on occasion, perform a job for which the use of coveralls is authorized and who are permitted to use them on each such specific job. These coveralls are to be returned promptly upon the completion of each job.

Coveralls for Regular Use: Employees in the following classifications will be regularly supplied with coveralls, and, unless they go directly from home to a field job, will not take them home at night. Employees who go directly from home to the job site will be permitted to take coveralls home with them provided that they do not use them except on Company business.

Construction Technician	Mechanic #2
Field Service Assistant	Meter & Regulator Tech #1
Field Technician	Meter & Regulator Tech #2
Fleet Assistant	Pipeline Technician
Fleet Technician	Senior Instrument Specialist
Instrument Shop Mechanic #1	Station Maintenance Specialist
Instrument Shop Mechanic #2	Station Operations Specialist
Lead Construction Technician	Station Technician
Lead Fleet Technician	Systems Protection Specialist
Lead Instrument Shop Mechanic	Transmission Pipeline Specialist
Lead Meter & Regulator Tech	Transmission Welding Specialist
Lead System Protection Spec	

Coveralls for Intermittent Use: Employees in the following classifications will be issued coveralls and may

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carry them in vehicles driven by them for use when the occasion warrants:

Commercial Service Technician
Energy Technician Distribution
Energy Technician Residential
Field Collector
Field Technician
Gas Storage Specialist
Instrument Specialist
Lead Field Collector
Measurement Specialist

Coveralls for Unusual Jobs: Employees whose normal duties do not require them to use coveralls, such as station personnel and office workers, may obtain coveralls for use on a specific job which is of short duration and which involves undue soiling of regular clothes worn by such employees. For example, if such employees are required to inspect vaults, or assist employees working in a classification normally assigned coveralls, they may, upon approval of an authorized supervisor, obtain coveralls for the period of the assignment. Senior Logistics Representative and Logistics Representative may obtain coveralls for "night loading" operations without specific authorization from a supervisor.

(C) Jackets: The Company will provide winter jackets for employees located at the following bases: Rim Forest, Beaumont, Lancaster, and Yucca Valley. The Company will also provide extra jackets for use by employees working temporarily at these locations. In

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addition, jackets will be provided and maintained at the Bakersfield Base for use at mountainous areas and at times of extremely cold weather.

In addition, each employee holding the regular classification of Transmission Technician, Storage Specialty at Aliso Canyon and Honor Rancho Underground Storage Field will be assigned one (1) parka-type jacket. Furthermore, parkas will be provided and maintained at Transmission bases for employees who are required to work in extremely cold weather. Management will determine the bases which meet the cold weather criterion and the number of parkas assigned to each base.

(D) Footwear: Qualifying positions that require construction quality boots that provide ankle protection will be paid a yearly allowance of **\$85.00** during the second pay period in July.

The allowance is limited to those qualifying employees who are on the active payroll as of the first day of the pay period in which the allowance is to be paid.

(E) Moving Expense: It is understood and agreed that reasonable moving expenses, limited to the actual cost of transporting furniture and subject to approval in advance by the Company, shall be paid by the Company only under the following circumstances:

- (1) When an employee is transferred from one Region to another solely for the convenience of the Company. In such cases, if it is impossible to give such employee

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notice of the proposed transfer to permit him or her to arrange in advance for a place to live convenient to the Region to which he or she is transferred, he or she shall be given such board and lodging allowance as may be mutually agreed to in each case.

(2) When an employee who is transferred as a result of a layoff under the provisions of Section 7.1 (Seniority in Layoff) moves to a residence at least ten miles closer to his or her new work location; provided that none of the options available to the employee under Article VII would provide the employee an equivalent or higher classified job within the same work location, or an equivalent or higher classified job outside his or her work location that is within twenty miles of his or her then existing work location.

(3) To be eligible for reimbursement for moving expenses under the provisions of this Section, the employee must move his or her residence within three months following his or her transfer; except that upon written notification to his or her supervisor or to the Human Resources Department within this three-month period he or she may secure an extension of the time limit to six months following his or her transfer. Beyond this, the Company may grant a reasonable further extension of time to an employee who is attempting to arrange a move but encounters delays beyond his or her control.

(F) Overnight Expense: In the case of a Company-ordered temporary transfer where the job location makes

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available to employees in advance.

(2) Schedules shall be limited to the 40-hour week and eight-hour day except when the excess time worked is paid at the overtime rate.

(3) Modification of schedules is restricted to definite work requirements.

(4) When in the judgment of the Company it is practicable to do so, work schedules providing optional starting and quitting times will be offered to employees in certain working groups and shall be chosen by qualified employees in seniority order.

5.2 – Workday and Workweek

All hours worked beyond 40 straight-time hours in any workweek of seven calendar days and beyond eight straight-time hours in any calendar day shall be paid at time and one-half; provided, however, that all work performed consecutively beyond eight straight-time hours, whether or not within a single workday, shall be paid at time and one-half.

5.3 – Modification of Schedules

As general policy, work schedules shall be changed on short notice only when unavoidable and only when required to meet operating and other bona fide Company requirements. Additional hours worked before or after an employee's regular schedule do not constitute a schedule change. Hours worked outside of the

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it necessary for the employee to remain away from home overnight and requires the purchase of meals, lodging, transportation, etc., the Company agrees to reimburse the employee for such expenses.

Article V

WORK FORCE FLEXIBILITY/WORK SCHEDULES

5.1 – General Statement

Eight hours shall constitute a regular day's work, and 40 hours shall constitute a regular week's work. Except in special situations, the regular work schedule of the construction and operating forces of the Company shall consist of a five-day week. Certain office employees whose primary work load varies in relation to telephoned orders from the public may be required to work four eight-hour days and two four-hour days a week without overtime payment. Such schedules shall be filled on a voluntary basis to the extent practicable. Otherwise the schedules shall be rotated equally within the group unless other arrangements are agreed upon in Shop Committee.

Work performed on a shift basis may be scheduled without reference to the calendar week, but shall not exceed 40 hours in the scheduled workweek of seven days.

In general, the policy as to work schedules is that:

(1) Regular work schedules shall be set and made

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employee's regularly scheduled shift are paid at the overtime rates as defined in Section 4.2(B) (Definition of Overtime). If the scheduled 40-hour workweek includes any day on which the starting time is more than two hours earlier than the starting time on the previous calendar day, if any, overtime shall be paid for the time worked on the entire shift.

There are two general types of changes in schedules which may be made:

(1) Changes in Scheduled Hours Within the Scheduled Day

An employee's scheduled work hours may be shifted within a calendar day, without payment of overtime, only when he or she is given 24 hours advance notice as follows:

(a) If his or her schedule is changed to a later hour in the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the time at which he or she was scheduled to report for work before the change.

(b) If his or her schedule is changed to an hour that is up to, and including, two hours earlier in the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the earlier hours at which he or she is to report.

When such notice is not given, all hours worked outside the hours included in the old schedule shall be paid at the overtime rate. In any event, if the starting

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time for the new schedule is more than two hours earlier than the starting time of a scheduled shift on the previous calendar day, overtime shall be paid for time worked on the entire shift.

(2) Changes in Scheduled Days

Changes in a work schedule involving the shifting of working days and days off may be made without the payment of overtime providing the following two requirements are met:

(a) That the new schedule meets the same requirements as the old with regard to the 40-hour week and eight-hour day.

(b) That notice is given at least 30 hours in advance of the time at which the employee was to have reported under his or her old schedule or 40 hours in advance of the new reporting time for the new schedule, whichever is earlier.

If these advance notice requirements are not met, payment at the overtime rate will be made for all hours worked on any day that was a day off under the old schedule.

5.4 – Job Site Reporting

The Company, at its option, may require employees to report for work and to end their workday at specific job sites other than their regular bases, provided that employees will be paid excess time and mileage where incurred to report to and leave from a job.

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schedules with Saturday and Sunday as a regular workday for Commercial Technicians and Industrial Technicians, provided that (1) employees subject to these schedules will not be assigned split days off without their express consent and (2) the Company will not schedule employees on two consecutive Sundays. Notwithstanding, paragraph (A) above will not apply to these classifications.

5.6 – Work Assignments of Relatives

Related persons may not be given or continue in work assignments which require one relative to direct, assign, appraise, or check the work of another, or permit one relative to have access to the personnel records and/or local departmental files of another. Whenever one of these prohibited working relationships is established, one of the employees must transfer to a position which eliminates the relationship or resign. If neither employee chooses to move, the less senior employee will be required to do so or be terminated. The Company will allow 90 calendar days following the establishment of the prohibited working relationship to eliminate it through promotion or transfer under the provisions of Section 5.10. The 90 calendar days will begin upon notice to the affected employee and his or her local Union.

A prohibited working relationship can be avoided if the employees receive work direction and their personnel records are reviewed by someone other than the relative.

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Further, employees who regularly drive Company vehicles in the performance of their work may volunteer to report to work at locations other than their regular bases and return home in their assigned Company vehicles. These employees shall earn no additional compensation for such job site reporting provided that the work sites are within the normal commuting area and normal commuting time of their operating base and that the employees incur no costs for driving or parking the vehicle.

5.5 – Special Work Schedules

(A) Customer Services Field Employees: Regular work schedules, with Saturday as a regularly scheduled workday, will be established for customer service field employees where in the judgment of management it is practicable to do so and sufficient coverage is available. The schedules will be set in advance and no two consecutive Saturdays will be part of the regular schedule.

The Company will also examine the issue of work schedules in the Call Centers and attempt to accommodate employees' desires not to work consecutive weekends. However, it is not known if this can be accomplished and this is not a binding commitment.

(B) Commercial Technicians and Industrial Technicians: Effective the date of the signing of this Agreement, the Company may establish regular work

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For purposes of this Section, relatives are defined as: husband and wife, parent and child or step-child; parent and son- or daughter-in-law; brother or sister, or step-brother or step-sister; aunt or uncle and nephew or niece (by blood or marriage); grandparent and grandchild, first cousins; brother-in-law or sister-in-law.

5.7 – Job Assignments During Inclement Weather

When construction work or field operations are suspended because of inclement weather, no probationary or regular employees will be laid off because of such inclement weather. However, when inclement weather prevents such employees from performing their usual and customary duties, such employees shall report to work regardless of weather conditions, and the Company may assign them other work irrespective of whether or not such work is normally performed by employees in different classifications.

5.8 – Flexible Work Force

(A) Notwithstanding any provisions of this Agreement to the contrary, the Company retains the right to assign any represented employee to perform the duties of any job classification hereunder within the skill, knowledge level and physical ability of said employee, as determined exclusively by the Company subject to Section 3.10 (Refusal of Duties), for the purpose of balancing the work load and utilizing the work force efficiently. Such assignments shall first be done on a volunteer basis in seniority order. In the absence of such volunteers,

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selection will be in inverse seniority order. The determination of the bases or facilities which are to supply the needed work force is determined by the Company.

(B) Opportunities for parallel or downhill work hereunder will be offered first to volunteers at said bases or facilities. In the absence of sufficient volunteers, selection will be in inverse seniority order from among qualified employees.

(C) Promotional opportunities hereunder will be handled pursuant to Section 5.10 (Position Opportunity System), except that, as stated above, the Company retains the exclusive right to determine, at its discretion, the supplying base or facility.

(D) Employees who are assigned to other locations or classifications for purposes of work load balancing shall be given the same opportunities to work overtime in those locations or classifications as employees regularly working such classifications at such work locations have been offered the work. However, nothing shall require that an employee already doing work be pulled off a job in order for someone else to continue on overtime.

(E) LTS for performance shall only be allowed in the employee's primary job.

(F) Excess time and mileage will be paid where incurred to report and leave from such assignments.

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summary of the primary duties of the job and the minimum qualifications thereof, which will be subject to the provisions of the POS.

Any qualified employee may bid to any other job, provided that his or her current job performance is not rated less than satisfactory. Prior to submitting a bid, employees are encouraged to review the job profiles. In addition, employees must take any pre-qualifying examination and/or skills test required. Some jobs that require similar skills, qualifications, and work activities may be grouped by the Company in an ascending order according to training and proficiency development requirements for work performed.

Part-time employees shall be eligible to bid for full-time positions based on their seniority calculations as follows: Total hours worked since initial hire by the Company divided by 2080 hours.

(A) Prescreening for Employees:

Some jobs require successful completion of a pre-qualifying examination, skills test, and physical ability tests. For such jobs, employees must meet minimum qualifications, as well as all pre-qualifying requirements to be selected. Also, an employee's performance must not be rated less than satisfactory in the job from which the move is requested. Bids will not be accepted if an employee's performance is rated less than satisfactory and/or if he or she has not met pre-screening requirements.

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5.9 – Temporary Relief Assignments

Temporary vacancies shall be filled by the qualified employee who is next in line in seniority order within the job progression, except when it is inconvenient to operations to do so, such as when the senior employee is based elsewhere, is unavailable part of the time because of vacation, etc. **All temporary assignments to management will cease to accrue bargaining unit seniority, while on such assignment, if the assignment lasts more than 18 cumulative months in a 2 ½ year period.** Nevertheless, the Union and the Company recognize that in order to provide vacation relief, for work load balancing and to meet temporary operating emergencies it may be necessary to make work assignments from other than the work locations in which the vacancy occurs. It is mutually agreed that such temporary assignments may be made without regard to such job progressions and without regard to the conditions and agreements governing promotions to regular positions. Operating convenience being relatively equal, preference in such cases shall be given within the bargaining unit.

5.10 – Position Opportunity and Placement

The Company will attempt to fill vacant positions from regular employees according to the following Position Opportunity System ("POS") procedure before resorting to outside hires. The Company will maintain a list of classifications in a job index, including a job profile

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For jobs that require successful completion of a pre-qualifying examination and/or skills test, employees must have the experience and/or background required for a job in order to take such tests. Employees who do not pass an examination will not be eligible to re-test again for six months from the date of disqualification. Employees who do not pass a skills test, such as keyboard proficiency, stenography, or a physical abilities test may re-test after three months.

Pre-qualifying examinations will be valid for a maximum of five years. After this time, employees will be required to re-qualify. Skills tests and physical abilities tests are valid for one year. Employees who have held a job for one year or more in the last five years and whose performance is not rated less than satisfactory in the job need not take an examination for the same job family to be selected. However, a skills test or physical abilities test may be required. Some jobs may require certification. For such jobs, recertification will be required as established by the Company.

Employees who transfer from a job at one work location to the same job at a different work location are not required to take a pre-qualifying examination, provided the new job does not require additional skills which the employee has not performed or for which he or she has not tested.

Any employee who bids for a position that requires the same pre-qualification, skills test, or physical abilities

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test, as the current job held, will be exempt from having to take the same test for the new job, providing the employee has previously passed the pre-qualification test on file.

Information on test locations and schedules will be available at all work locations.

(B) Requesting a Job Move:

When a job vacancy is to be filled, the senior, pre-qualified employee with a bid on file for that job is considered in the priority order listed below.

1. Disability Bid: Employees who have been granted disability bid priority by Human Resources may bid for any jobs for which they qualify at their current pay grade or lower. They will be considered first for job vacancies, provided that they indicate their disability priority status and meet the minimum qualifications.

2. Transfer/Progression: The most senior of the following two types of job requests:

- a) Employees requesting a transfer to the same job at a different work location.
- b) Employees in the same or same type of job progressions (such as Field Technician to Energy Technician-Residential).

3. Bid: Employees may bid for any job, provided they meet the minimum qualifications for the job requested.

Employees must submit a bid to Human Resources to be considered for a job vacancy. The number of bids an employee may submit is not limited. However, an employee can only decline one job offer in a 12-month period without restrictions. If an employee declines a second job offer in a 12-month period, the employee will be restricted from bidding for another job for one year, and all of his or her existing bids will be canceled. See Section (D) Acknowledgment and Validity of Bids.

When an employee is accepted for a job, all of his or her bids are canceled and the employee will not be eligible to bid again for one year from the effective date of the job move. The exception to this will be promotional opportunities within the same job progression at the same location. If the employee is satisfactory in his or her current classification, the employee's bids for the promotional opportunities will remain active in POS. All other bids will be canceled and the employee will need to re-submit bids after the completion of one year from the effective date of the most recent job. Employees who are accepted for a job requiring greater technical knowledge and skill may be restricted from bidding for up to two years from the effective date. However, an employee may request consideration for a newly created job as described in Section (G) New Jobs, if the new job was first posted after the employee accepted a job offer.

Employees not accepted for the job are so notified, and their bid for the specific job is canceled.

(C) Pay for Time Required for Job Interviews and Pre-qualification Examinations:

1. **Job Interviews:** An employee who bids to a different job is allowed the working time, with pay, for a job interview arranged by the Company if the interview is scheduled during the employee's regular working hours or otherwise requires that he or she be excused from work. The working time allowance is limited to four hours. The employee bears the cost of his or her own transportation to and from the location of the interview, and of any related personal expenses.

2. **Pre-qualifying Examinations:** An employee who is scheduled for a pre-qualifying examination is allowed up to **sixteen** hours per year with pay in connection with any examination arranged by the Company during the employee's regular working hours or that requires that he or she be excused from work. The employee bears the cost of his or her own transportation to and from the location of the examination, and of any related personal expenses.

3. **Shortage of Work:** For employees affected by a shortage of work, the Company will pay excess casual mileage required to travel to the interview or pre-qualifying examination or may provide transportation.

(D) Acknowledgment and Validity of Job Requests:

The Company will provide a means for employees to bid

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for jobs listed in the Job Index. Also, the Company will place the bidder's name on an eligible list to be maintained in connection with each job. Bids will be accepted according to bid number and will not be accepted if they do not provide the necessary information. Bids that are received after prior job referral has been released by Human Resources to a hiring supervisor will not be considered until the referred employee has been interviewed and accepted or disqualified for the job in question.

Bids will remain in effect for a maximum of **24** months, until the employee is accepted for a job, is disqualified, declines a second job offer in a 12-month period; or until the employee cancels them. When an employee is disqualified for a job, all of his or her bids for that specific job will be canceled and the employee will be restricted from bidding for that job for three months. When an employee declines a second job offer, all of his or her bids will be canceled and the employee will be restricted from bidding for any job for one year. Also, an employee's bids will be canceled if his or her performance is rated less than satisfactory. The employee will be restricted from bidding until his or her performance rating is not less than satisfactory.

Bids for a specific job will be canceled if results of prior pre-qualifying examinations or skills test expire during the effective term of the bids. Employees may resubmit such bids after successfully re-testing for the jobs.

An employee who has a bid on file may, at any time,

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secure, through his or her representative or directly from Human Resources, information regarding his or her position on an established bid list. Also, an employee may request the name and seniority of the last employee placed on a job from such job request list, and the date such action was taken.

(E) Protesting Disqualification:

1. **Transfers:** An employee who questions the judgment of management regarding his or her qualifications for a transfer to a job vacancy, is entitled to file a grievance under the dispute resolution provision. In the event of such a grievance, the Company will assume the burden of proof as to the appropriateness of disqualifying the employee for a transfer. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

2. **Bids:** An employee who questions the judgment of management regarding his or her qualifications for a job bid, including disability bids, is entitled to file a grievance under the dispute resolution provision. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

(F) Training and Proficiency:

Some jobs require successful completion of extensive off-the-job Company training. For such jobs, an employee's new job classification will take effect after the

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successful completion of training tests at the end of the initial training course. **However, if the training course is not available and/or completed within 90 days from the job acceptance date, the new rate of pay will begin on the 91st day.** Employees who do not pass subsequent training courses, once the job takes effect, will be placed on a performance improvement plan and will be subject to the due process provision of this agreement.

An employee who fails the initial course will be returned to the job from which he or she came and displace the employee who replaced him or her. The displaced employee will return to the job from which he or she came, and so on.

Employees who return to a job they held previously will be required to successfully complete the Company training course and meet the current proficiency requirements for that job if they were out of the former job for five years or more.

(G) New Jobs:

The Company will notify the Union whenever an entirely new job classification is created that is covered by the provisions of this Agreement. The Company will indicate in such notification the pertinent facts concerning the job. Following notification, the Company will then post a notice system wide, which will describe the job duties, minimum qualifications and the pay rate of the new job. Interested, qualified employees may submit bids under the provisions of the POS.

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(H) Return to Prior Position:

Within five calendar weeks (35 days) of an employee moving into a new job classification, the supervisor will meet with the employee to jointly discuss the employee's progress to date. If, after discussions, the supervisor or employee believes the employee might not be capable of performing satisfactorily in the new position, the employee may exercise the option to return to her/his position within eight calendar weeks (56 days). **When no formal training is required, the 56-day period begins on the effective date of the new classification (when the employee actually moves to the new job). If formal training is required, the 56-day period begins after successful completion of training, or upon successful completion of the initial training course.** Following a return, the employee will be restricted from bidding for one (1) year.

(I) Placement Upon Return From Authorized Absence:

When a job becomes vacant because of the absence of an employee on Military Leave, Disability, Personal Leave of Absence, or other authorized reason of a nature which permits the employee to return to the former assignment, the Company will follow the normal procedures governing position opportunities. If the employee on authorized leave returns within a period of two calendar years following his or her last day worked in active service, the employee who had been appointed to the vacancy will be returned to his or her former classification within the job progression, at the work

location from which the employee left. When such an employee returns to his or her former job, the employee if any, who replaced him or her will likewise have the right to return to the job from which he or she came, and so on. In case more than one employee will have been appointed to such a job, the employee last appointed to the job classification will be the first to return to his or her former job. If the employee on authorized leave returns to the same payroll classification after an absence of two calendar years following the last day worked in active service, and if there is no vacancy available for him or her in that classification, the provisions of Article VII governing layoff for shortage of work will apply to the employee displaced by the returning employee.

(J) Placement of Disabled Employees:

When an employee (whether or not on the Disability payroll) is unable to perform the duties of his or her job because of a disability, but is capable of performing the duties of a classification or classifications other than his or her regular job, the employee may request transfer to or the Company may place such employee in any vacant job he or she is capable of performing, provided that it is not higher than his or her regular classification. Bids from an employee who has been notified by Human Resources that he or she has been granted disability request priority will be considered before all other job requests, provided that such employee meets the minimum qualifications for the job requested. The standard for disqualification of an employee requesting disability placement is set forth in Section 5.10 (B).

If an employee is medically disqualified for a certain job

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classification, any other requests he or she submits for the same classification will be canceled and the employee will not be considered for further interviews for the same classification until he or she submits evidence that he or she is no longer medically disqualified. If at a later date the employee again becomes capable of performing the job he or she held prior to becoming disabled, at that time the employee will have the right to return to his or her former job on the same basis as an employee returning from disability.

An employee placed in a job under the provisions of this Section will receive the rate of pay that is no lower than the weekly rate which he or she received immediately prior to the disability.

Employees who have been offered employment under this section by the Company and have been offered a job more than seventy-five (75) miles from their last work location, may elect termination wages equal to one (1) week of pay for each year of service up to 20 weeks, in lieu of accepting the job. This is a severance payment and disability benefits will be terminated the date the employee leaves the company.

(K) Supervisory Promotions:

While seniority shall be observed where possible in the selection of employees to fill positions of supervision or of special responsibility, the Company reserves the right to exercise complete discretion in the choice of employees for such positions and in their retention in such positions. The most important requirement for

selection and retention in a position of supervision or of special responsibility is that the employee shall be acceptable to the Company as an agent for the exercise of authority. This applies where authority is to be exercised on behalf of the Company as follows: (1) directing the work of other employees in a supervisory capacity (barring such direction or supervision as is exercised by a Lead Construction Technician over Energy Technician Distribution or Construction Technician), (2) inspection of work, particularly where such inspection is to ensure compliance with requirements of law or of public regulation, and (3) assignment of work to employees who have no other direct supervision.

When a supervisory employee returns to a classification of work covered by this Agreement because of a shortage of work in his or her classification, such employee shall have the right to return to the classification from which he or she was advanced, within the previous two years, providing that such return does not bump any employee in the classification who has greater seniority. In the event the returning employee does not have the seniority to fill a job in the classification from which he or she was advanced, he or she shall have the right to go back into the next lower classification within the work location for which his or her seniority entitles him or her. Furthermore, a supervisor may utilize accrued bargaining unit seniority at any time to return to a vacant job but shall not have bumping rights.

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This Section does not apply to temporary promotions into management.

5.11 – Job Profiles

The Company agrees to prepare and issue a revised index of job classifications and summary of duties for the purposes of assisting employees in determining the nature of duties to be performed in any job for which they may bid. Where pertinent, the index will list the principal minimum qualifications for the Indicative Duties Descriptions, with the understanding that such lists may not be all inclusive and may be subject to change. However, the Company agrees to notify the Union immediately if it intends to modify the minimum qualifications for any job. Furthermore, any minimum qualifications must be reasonable and necessary to indicate probable success in the classification.

5.12 – Certification

The Company shall pay for reasonable costs associated with all job-required certifications and licenses. Cost must be approved in advance. The Company shall provide sufficient time during regular work hours for study and testing related to required certifications and licenses.

5.13 – Technical Layoff

In some cases, there may be a shortage of work in one

or more classifications (pay grade) in a job progression, but equivalent or higher jobs in the same type of work are available elsewhere to all employees in the layoff area. In this situation, when such jobs are available at a work location not more than twenty miles distant from the affected employee's existing work location, the provisions of Section 7.1 (Seniority in Layoff) shall not apply, however, the affected employees (lowest in seniority in the classification) (pay grade) will be given 10 working days of special bid rights. These bid rights will have preference over all bidders except those bidders under Section 5.10 (J) and 7.1.

5.14 – New or Modified Regions

In the event that the boundary lines of a Region in which the Union has representation rights as herein defined shall be modified so as to create new boundaries which shall include some or all of the job progressions, as herein defined, it is agreed that the assignment of employees who will staff the new Region shall be deemed to have been made prior to the date the new Region is established and shall be accomplished in the following manner:

(A) The Company will establish a Table of Organization showing the number of classifications of the jobs and job progressions to be established in the new Regions and those to be eliminated from the other areas affected. A copy of the Table of Organization will be forwarded to the Union.

(B) Employees working in the area encompassed by the new Region whose work location or job status will be unaffected will be so notified.

(C) Employees in job progressions that are affected will be considered for jobs in similar job progressions in the revised Regions without being required to submit bid cards. Each such employee will be informed of his or her rights, and his or her preferences will be recorded by his or her supervisor. Any such employee who volunteers for a job of the same, a parallel, or a lower classification will be accepted in seniority order, prior to consideration of bids and promotions under the regular Position Opportunity System. Any such employee who is eligible for promotion to a vacant job in a higher classification shall receive consideration in accordance with paragraph (E) hereof.

(D) In the event that an insufficient number of employees volunteer, from a unit affected, for positions in the new or modified Regions, the number in excess of the Table of Organization established for the unit affected under the provisions of (A) of this Section shall be subject to layoff under the provisions of Section 7.1 (Seniority in Layoff) or Section 5.13 (Technical Layoff), as appropriate. It is understood, however, that an employee is not subject to layoff if positions are available to him or her within his or her then existing job progression even though at a different base location.

(E) Jobs in the new Regions which remain unfilled after exhausting the bids received under the provisions of paragraph (D) hereof shall be subject to the regular bidding procedure.

(F) At the request of either party, a meeting shall be held within five working days of the Company's announcement of a Region boundary change to discuss details under which they shall proceed and to discuss the probabilities of transfer, reclassification, and other matters covered by the terms of this Agreement.

5.15 – Employee Redeployment – Work Force Balancing

Assuming no reduction in total number of employees or in job classification level, relocation of employees within a job progression shall be effected as follows:

(A) Employees at work locations where the excess of work force exists will be offered, in seniority order, the existing vacant jobs at other work locations. Requests from these employees for change to the location where vacancies exist will have priority until enough requests have been honored to effect the necessary reduction in work force.

(B) If there then remains an excess of work force at any work location, the employees to be reassigned will be selected in reverse seniority order. In seniority order, each employee in this group will be allowed to choose the vacant job to which he or she shall be

reassigned. Any employee thus reassigned by the Company may submit a request to return to a job in the classification he or she held at the work location from which he or she was displaced. Such requests will be given priority over routine transfer requests. It is understood that acceptance of a promotion, or any voluntary change in job progression or work location, removes any special priority of return.

(C) In the event a redeployment involves a move more than 30 miles from the employee's present work location, such employee shall have the option of accepting redeployment or exercising rights under Section 7.1 (Seniority in Layoff).

Article VI

DISPUTE RESOLUTION

6.1 – General Statement

The Company shall exercise its right to employ, promote, demote, discipline, and discharge employees in the interest of good service and the proper conduct of the business, subject to the terms and provisions of this Agreement. Where an appeal through grievance procedure is upheld, the employee's status and pay shall be restored. The Union and the Company agree to take alternate measures to resolve disputes prior to any formal action by either party.

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twelve months, but exceptions may be made in such instances as the issuance of a less-than-satisfactory rating or, the disqualification of an employee on a bid or promotion, or following disciplinary action. In addition, any employee may review with the Human Resources Department the nature of his or her past record of service.

When a supervisor enters into the record that an employee's overall job performance rating is less-than-satisfactory, it is the supervisor's obligation to tell the employee of the reason for the rating. Furthermore, on the day the employee is to be informed of his or her less-than-satisfactory rating, the employee upon request, shall be entitled to have a Union representative present as a witness to the interview. In addition, the employee shall be given a Notice of Less-Than-Satisfactory Job Performance (Form No. 3891) at the time such entry is made or as soon as practicable thereafter. It is agreed, however, that with relation to such privileges as transfer, bid or promotion, the employee's overall job performance rating will be based on his or her actual current status regardless of whether or not it has yet been entered into the record or whether or not he or she has yet been notified.

The Company also recognizes the obligation of its supervisors to inform employees who have been rated less-than-satisfactory when and if their work performance is again judged to be satisfactory. The Union may at any time protest a less-than-satisfactory rating through the grievance and arbitration procedure.

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6.2 – Job Performance Appraisals

When a supervisor prepares an Employee Appraisal or an Interim Personnel Report for entry into an employee's personnel file, the supervisor shall give the employee an opportunity to read it. Normally the employee will initial the entry, signifying only that he or she has read it, not necessarily that the employee agrees with it. If the employee declines to initial the entry, the supervisor shall so note on the entry. The employee may, at his or her option, submit a short written statement (not more than one page) of rebuttal to be added to the personnel file along with the supervisor's entry. The employee may obtain a copy of the Employee Appraisal or Interim Personnel Report without charge if the request is made at the time the supervisor shows it to the employee. Otherwise, the employee may obtain copies of any documents in his or her personnel file upon written request to the Human Resources Department at a transaction charge of \$2.00 plus ten cents per page of copy. It is understood that some such entries may be made without being seen first by the employee in cases when the employee is unavailable or in cases of disciplinary action for which formal protest procedure is established.

At any time an employee may request of the supervisor an appraisal and discussion of his or her job performance, including a personal inspection in the supervisor's presence of the employee's personnel file, if requested with reasonable advance notice. Normally such inspections shall not be repeated in less than

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6.3 – Causes for Disciplinary Action

Any of the following shall constitute causes for demotion, discharge or disciplinary layoff, except that any acts of sabotage or theft of any employee, customer or Company property shall be an immediate cause of dismissal:

(A) Unsatisfactory job performance, including the following:

Failure to perform work in an efficient and workmanlike fashion.

Unsatisfactory accident record; carelessness or negligence on the job which affects the safety of fellow workman or which involves avoidable damage to property; unsafe, unlawful driving.

Failure to follow Company rules which have been posted or which are common knowledge or of which the employee has been directly notified.

(B) Misconduct, including the following:

Insubordination – failure to comply with orders or instructions given by the proper supervisor, or engaging in any activity or conduct in violation of Section 2.2 (E) (No-Strike Clause).

Failure to cooperate with supervisors and/or fellow employees in matters pertaining to the Company's operations.

Intoxication – drinking on the job, or drinking off the job to the extent that it adversely affects the

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employee's attendance or the quality of his or her work.

Absence without authority - (when it would be possible to apply for authority for such absence) and without satisfactory excuse.

Dishonesty - regarding money, falsification of Company reports or records; failure to tell the truth in matters pertaining to Company operations or in matters relating to the employee's absence from or performance on the job.

Obvious causes - such as conviction of a felony, engaging in a criminal act (other than a minor traffic violation) or an act involving moral turpitude.

Drug abuse - use of, on or off the job, which is in violation of negotiated agreements and government mandates.

6.4 - Advance Warning of Intention to Discipline

The Company agrees that an employee whose work is of such quality as to justify discipline for the first reason stated under Section 6.3 (A) (Failure to Perform Work in an Efficient and Workmanlike Fashion), shall be specifically warned by the supervisor with reasons stated in writing of any intention which the supervisor may have of recommending demotion, discharge, or disciplinary layoff for said reason. The supervisor will give a reasonable period of advance warning in order that the employee may remove the necessity for disciplinary action. When the nature of the employee's deficiency is

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such that it would be unreasonable to expect him or her to correct it immediately, the supervisor will give the employee a reasonable probationary period in which to improve his or her work to a satisfactory level.

Any employee who has received such a warning shall have the option of requesting reclassification and transfer to work which he or she has previously performed successfully if such work is available and if such request is made before the expiration of the stated probationary period, without regard to the "satisfactory work requirements" of Section 5.10 (Position Opportunity System). The employee may elect to waive the probationary period in favor of an immediate hearing as provided in Article VI, Dispute Resolution, in which case his or her employment and pay will continue until the Company has stated its position as provided in paragraph (5) of Section 6.5 (A).

Any such warning so given shall be continuing in effect until the cause for such warning shall have been removed by the employee and any failure on the part of the Company to take action following any such warnings, regardless of lapse of time, shall not be deemed a waiver by the Company of its right to act upon such warning at any later date within six months. In the event that two such warnings are given within a period of two years, such six months limitation shall be extended to one year on the second warning; and if subsequent warnings are given within one year after the lapse of the previous warning period, such limitation shall be extended to two years.

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6.5 - Disciplinary Procedure

The following procedure shall be followed in connection with (A) Discharge for Cause, (B) Demotion for Cause and (C) Disciplinary Layoff, for the causes listed in Section 6.3 (Causes for Disciplinary Action):

(A) Discharge for Cause:

(1) Employees are subject to removal from active work and to subsequent termination of service for the causes cited in Section 6.3 hereof. Immediate causes of discharge are offenses which have occurred (or which have been discovered) within 90 days of the date of removal from work, and no offense shall be regarded as an immediate cause of discharge unless acted upon within that period. While discharge action must be directly related to an offense or offenses which have occurred within the period of time just stated, consideration of any given case shall not necessarily be limited to one specific offense. The record of previous good service, or of previous offenses, if any, and punishment usually given for similar offenses, shall also be considered. The sole purpose of placing a time limit upon action following any given offense is to provide a period of time during which an employee may clear his or her record of any immediate cause of discharge. It is not the intent of this provision to provide a time limit which operates to cancel the effect either of good service, or of repeated offenses which interfere with the proper conduct of the business.

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(2) When any employee is removed from active work, pending a discharge for cause, he or she will be immediately notified of the reason therefore on a Notice of Discharge for Cause. This notice shall indicate the nature of the offense, citing the subsection of Section 6.3 hereof which applies, the date upon which the discharge is effective, and the last date upon which the discharge may be protested with a request for a hearing.

(3) The Human Resources Department, upon request, will arrange for a hearing to be held, whenever practical, within not less than two working days, nor more than five working days of the date of removal from work, and will withhold official termination of service until expiration of that period, in any case. Where more time is required, the hearing will be scheduled at the earliest date possible. However, the effective date of the discharge, unless set aside, shall be the date upon which the employee is actually removed from work. If a protest is upheld, the employee shall be restored to the job which he or she held at the time of removal from work or some other job agreeable to the parties concerned, and receive full pay from the date of removal from work. And, in addition, such employee shall be reimbursed for his or her transportation expense in connection with such hearings in an amount not to exceed the cost of public transportation. The time limit herein provided refers to regular business days and not to calendar days. Saturday, Sunday, and holidays will be disregarded in

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computing the two-day and live-day periods. No protest of a discharge will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Discharge for Cause is mailed.

(4) The employee may appear in person at his or her hearing, whether he or she represents himself or herself or is represented by the Union. The employee may produce such witnesses as may be necessary to testify in his or her behalf on questions of fact.

(5) Upon conclusion of the hearing, Company representatives will mail a certified letter to the last known address of the employee, stating the position taken by the Company either in upholding the protest or in sustaining the discharge, or if the Union has represented the employee in the hearing, the Union and the employee shall be notified of the outcome. If the protest is upheld, the employee's status and pay shall be restored as provided in Section 6.1 (General Statement). If discharge is sustained, and there is dispute on this point, a Board of Arbitration shall be designated to arbitrate the matter, as provided by Section 6.8, provided the Human Resources Department receives a written request for arbitration from the Union within the 20 calendar days next following the date upon which the certified letter stating the Company's position, as provided above, is mailed. In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a discharge at the earliest

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regular meeting (or series of area meetings) following the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more than 25 additional calendar days beyond the 20-day limit.

(B) Demotion for Cause:

(1) Employees are subject to demotion for the causes cited in Section 6.3 hereof. The duties and pay rates of the employee are subject to immediate change but the demotion may be protested under the same procedure as provided for in connection with discharge for cause.

(2) Employees demoted for cause shall be notified on a Notice of Demotion for Cause. No protest of a demotion will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Demotion for Cause is mailed.

(C) Disciplinary Layoff:

(1) Employees are subject to disciplinary layoff for the causes cited in Section 6.3 hereof. The layoff may be set immediately upon commission of the offense. Layoffs will be reviewed by the Company under the same procedure as provided for in connection with the

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discharge for cause and may be protested under the same procedure.

(2) Employees subject to disciplinary layoff shall be notified on a Notice of Disciplinary Layoff. No protest of a disciplinary layoff will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Disciplinary Layoff is mailed.

(D) Temporary and Probationary Employees:

Nothing in the provisions of Section 6.3 (Causes for Disciplinary Action), 6.4 (Advance Warning of Intention to Discipline), and 6.5 (Disciplinary Procedure) applies to layoff or changes of duties occasioned by lack of work. None of the provisions hereof apply to (1) strictly temporary employees, or (2) prospective regular employees who have been employed less than six months and who are serving their probationary period, except that the Company agrees to review and discuss with the Union any claim made in writing that any probationary employee working in the payroll classifications listed in Appendix B hereof has been unfairly dismissed; provided, however, that should any dispute arise over the disposition of such claim it shall not be subject to arbitration.

A probationary employee who is notified of the intention of the Company to terminate his or her services because of unsuitability for long-term employment shall have the right to elect to submit a written resignation and the records of the Company shall so indicate.

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6.6 – Disciplinary Interviews

When a supervisor interviews a regular employee with the intention of issuing a written warning letter under Section 6.4 of this Agreement, or of assessing a disciplinary layoff, demotion, or discharge, or with the intention of developing facts in the interview to support disciplinary action that is being considered against such employee, the employee upon request shall be entitled to have a Union representative present in order for the interview to continue. In the event the supervisor fails to grant such a request, the employee may refuse to answer any questions, and the Company shall be precluded from relying upon any statements made by the employee during the interview, after such request, as a basis for assessing or upholding the discipline. However, the Company shall not be foreclosed from independently ascertaining any facts contained in the employee's statements and relying upon such independently ascertained facts. It shall be the policy of the Company to encourage supervision to notify employees of their right to Union representation in the disciplinary or investigatory interview described above. The absence of such notification, however, shall not invalidate any information received or action taken in the interview.

If the employee requests a Union representative (Shop Steward or other Union official) and none is available at the moment, the interview shall be postponed until the representative can be present. In the case of some activities where the employees involved are in the field, it may be more convenient to arrange in

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advance to have a Union representative available, and this option is open to the supervisor at his or her discretion. The employee does not normally have the option of asking for a Union representative from a district other than his or her own or one who is not an employee of the Company.

The role of the Union representative in a disciplinary interview is not that of an adversary; he or she is there as a witness to counsel the employee and to clarify to the employee if necessary the employee's rights under the Agreement. Any protest of the action being taken shall be reserved for the procedure set forth in Section 6.5.

The right of having a Union representative does not apply to investigative interviews when the employee is not under suspicion. It does not apply to counseling interviews.

6.7 – Termination Wages

(A) Discharge: An employee when discharged for unsatisfactory job performance, as defined under paragraph (A) of Section 6.3 (Causes for Disciplinary Action), shall receive a termination wage equivalent to one week's pay per year of service, up to a maximum termination wage of ten weeks' salary and in addition shall receive payment for any unused portion of the Vacation Allowance for which such employee is then eligible.

An employee who has been demoted for

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unsatisfactory job performance, as defined under paragraph (A) of Section 6.3, may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive the termination wage provided herein, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits provided in paragraph (5), Section 6.5 (A); provided however, that refusal of the employee to perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

An employee who is discharged for misconduct as defined under paragraph (B) of Section 6.3, or commission of or conspiracy to commit any act of sabotage, shall not be entitled to a termination wage.

(B) Demotion: An employee who has been demoted for misconduct as defined under paragraph (B) of Section 6.3 (Causes for Disciplinary Action), may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive two weeks' termination wage, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits provided in Section 6.5. Refusal of the employee to

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perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

6.8 – Grievance/Arbitration Procedure

The parties encourage the settlement of disputes at the local level between employees and supervisors prior to initiation of formal procedure.

The Union and the Company mutually agree that the prompt handling of grievances is a fundamental responsibility of both the Union and the Company and to that end the Company will permit the use of its regular Company messenger service for the purpose of handling grievance matters and will establish a delivery and pickup service at Union headquarters for the purpose of expediting this matter. Union representatives will be authorized to use the Company "special service" messenger facilities at such times as the situation appears to warrant. It is understood and agreed, however, that the use of the Company messenger facilities shall normally be limited to handling grievances.

In order to aid in the proper disposition of grievances, Shop Stewards may be selected by the Union. Such Shop Stewards may be selected from among the active employees in each of the departments and groups in the bargaining unit.

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The Union agrees to train all new area officers, unit officers, and local presidents with regard to grievance investigations on Company time. This training must be completed within 30 days of the officer taking office. Further, if the Union fails to train the above mentioned officer, the officer will be precluded from conducting such grievance investigation on Company time.

Any grievance, other than appeal following disciplinary action, as provided in Section 6.5 (Disciplinary Procedure) of any employee covered by the terms of this Agreement, or any dispute which shall arise between the Union or its members and the Company shall be determined in the following manner:

Responses from the Company to any step of the grievance procedure shall be sent to the appropriate Union office with copies to the involved Region/Departmental officer, shop steward and the president of the local.

Each grievance shall be initiated within 90 calendar days of the event causing the grievance, or within 90 calendar days after the date on which such event should reasonably have become known by the aggrieved employee. For this purpose, the grievance shall be reduced to writing on a multicopy form in accordance with paragraph (B) of Step 1*.

Step 1: Grievance Procedure

(A) The Union will make a careful investigation of the grievance before it is reduced to the formality of a written

* For job disqualifications, there is a 15 day limit to initiate grievances. Refer to Section 5.10(E)

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complaint in order to ascertain that the grievance complaint is justified under the terms of this Agreement and that there is reasonable ground to believe that the claim is true in fact. For this purpose, one officer from the Union shall be allowed a reasonable length of time with pay to complete the investigation after having notified and received permission for such from the Regional Manager or his or her designated representative. It is mutually agreed that the normal procedure shall be for the local Union representative to discuss any pending grievance with the appropriate local management representative before formally presenting it except that grievances involving potential pay adjustments shall be based upon the date of filing of the grievance in Step 1.

The grievance complaint shall set forth all the facts necessary to understanding of the issues involved, and it shall be free from charges or language not germane to the real issue or conducive to subsequent calm deliberations. So far as possible, the Union and the Company shall avoid publicizing any grievance or complaint founded thereon prior to the final determination of the issue, other than as a matter of internal communication.

(B) Grievances which are appealed to Step 1 in timely fashion shall be reduced to writing on multicopy forms provided by the Company and approved by the Union, shall be signed and dated by the aggrieved and his or her Union representative, and filed with the local management representative delegated to receive such local grievances on behalf of the Company. The Union

effort shall be made to arrive at and state a decision in this meeting; however, oral agreements, reached in the local grievance meeting, shall be regarded as purely tentative and without force until confirmed in writing.

Local grievance meetings may be scheduled during regular business hours if consistent with the normal conduct of business, provided that total Union attendance at the meeting does not exceed four persons. Under no circumstances will Company pay be sustained for more than three employees in attendance for the Union at such local grievance meetings. It is understood and agreed, however, that the Union may, upon notice to the Director, Labor Relations, also have in attendance an employee who is a Union officer or an employee selected by the Union to do Union business, as provided by Section 2.2 (B) (Union Leave of Absence); and, in such case, the Company may also select an additional representative from the Human Resources Department to attend such hearing.

Step 2: Grievance Procedure

(A) Within ten working days following conclusion of the local grievance meeting, the local management representative will give the Union a brief written statement of the decision reached.

(B) If no final agreement is reached at the local management level, upon request within ten working days after receipt of the statement of the Company's decision, a final meeting will be held with Human Resources representatives. The request for a final meeting should

will be advised of the appointment of local management representatives. In the event that doubt exists as to the identity of such local management representative, the grievance complaint may be addressed to "Appropriate Local Management Representative, c/o Director, Labor Relations." Such grievances will be forwarded immediately to the Company representative to whom authority for handling the grievance has been delegated.

(C) The local management representative will commence a prompt investigation of the facts and will reach a conclusion at the earliest date consistent with the nature of the investigation and with the normal conduct of necessary business. Upon reaching such conclusion, but in any event, within ten working days of the receipt of the grievance, the local management representative will reply in writing, stating the Company's position on the issues raised in the complaint.

(D) If the Union wishes to discuss the grievance further with the local management representative, the Union will, within ten working days after receipt of the statement of the Company's position, so notify the local management representative, who will arrange to hold a local grievance meeting within the ten working days following such request. Attendance at such meeting shall normally be limited to the employee or employees whose grievance is under discussion, two representatives of local management, and two representatives of the Union, who shall be active employees in the Region/Department in which the grievance arises. Discussion shall be limited to the issues raised in the grievance complaint. An earnest

be made in writing and should state which facts are still in dispute, if any, and the specific basis upon which the Union takes issue with the position of the local management representatives.

Attendance of Union representatives at meetings in this step of the grievance procedure will normally not exceed seven people. The Company will sustain pay and reimburse the casual mileage rate of not more than two employees (three in the case of Joint grievances where employees from more than one Union attend); provided, however, that by mutual agreement this limitation as to the number in attendance and the number to be reimbursed may be revised.

(C) Within three working days following receipt of the Union's request for a final meeting, the Company will acknowledge the request by letter and will arrange a meeting within the next ten working days whenever any necessary fact finding can be accomplished prior to the date of the meeting scheduled within such period. If it is obvious that the necessary fact finding cannot be accomplished in such time as to permit the Company to discuss the grievance within such ten working day period, the letter will include a statement to that effect and a tentative date will be set for a later meeting. The Company and the Union by mutual agreement can waive the time limits provided herein.

(D) Within ten working days following conclusion of the final meeting, the Company will give the Union a brief written statement of the decision reached.

(E) Grievances of a general nature (system-wide) by the Union shall be initiated by the Local Union President or designated representative by a written statement served by the aggrieved party on the other and filed within 90 calendar days of the event causing the grievance or after the date on which such event should reasonably have become known. Such grievances shall be heard directly in Step 2.

Step 3: Grievance Procedure/Arbitration

If the final decision of the Company is not acceptable to the Union, the Union may refer the matter to arbitration as provided by this section hereof, provided a written request for arbitration is received by the Human Resources Department within the 20 calendar days next following the date of receipt of the Company's statement of position as provided by Step 2, paragraph (D) of Section 6.8 (Grievance/Arbitration Procedure). In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a grievance at the earliest regular meeting (or series of area meetings) following the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more than 25 additional calendar days beyond the 20-day limit. **Discharge cases will be scheduled for**

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agreed upon number of available dates. The parties and the mediators shall then schedule specific dates. The mediator will continue to serve by mutual agreement of both parties.

2. Within thirty (30) days of the selection of mediators, the parties will meet to identify those pending cases which the parties agree will be processed through this mediation procedure. Discharge cases which the parties agree to mediate shall be scheduled first, in the order in which the cases were filed to arbitration.
3. Following disposition of cases pending as of the date of this Agreement, or which have been filed pending resolution of the backlog cases, the parties shall process future cases by scheduling a Mediation Conference to be held at the earliest available date of a mediator within thirty (30) days of the Union's request for arbitration, except for cases in which either party requests that mediation be bypassed.
4. Each party should have one principal spokesperson at the Mediation Conference. The Spokesperson for the Company will normally be the Director, Labor Relations, or designated representative. The spokesperson for the Union will normally be the President or designated representative. Only by mutual agreement will an attorney be used by either party at the Mediation Conference. In addition to the grievant(s), the number of employees who shall

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arbitration within six months from the date of termination.

(A) **Definition of Arbitrability:** There will be no arbitration of any dispute unless requested in writing by the Union, as distinct from a request by the individual employee. Disputes which are arbitrable under this Section shall include only those arising under the provisions of Section 6.5 (Disciplinary Procedure) or Section 6.8 (Grievance/Arbitration Procedure) which concern the interpretation or application of any of the terms or provisions of this Agreement. Arbitration under this section shall be the exclusive means of settling such disputes.

Step 4: Alternative Dispute Resolution

The parties recognize the need to resolve grievances and protests of disciplinary actions whenever possible in order to avoid the expense and delay associated with arbitration. Therefore, the parties enter into this Agreement to use mediation and expedited arbitration, where mutually agreed to by the parties, to resolve pending arbitration cases as well as grievances and protests of discipline that may arise during the term of this Agreement.

A. Mediation:

1. Within ninety (90) days of the ratification of this Agreement, the parties will meet to select mediators to hear cases under this procedure. The mediators selected shall agree to provide the parties with an

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suffer no loss in pay for participation in the Mediation Conference shall be no more than two (2).

5. Proceedings before the mediator shall be informal in nature. The presentation of evidence is not limited to that which has been presented in the grievance proceedings. The rules of evidence shall not apply, and no record of the Mediation Conference shall be made, nor may either party introduce into any other proceeding any record, testimony or evidence of such proceedings.
6. All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance, to be used solely for purposes of statistical analysis.
7. The mediator will have the authority to meet separately with any person or persons, but will not have the authority to compel the resolution of a grievance or protest.
8. The mediator shall conduct as many conferences each day as is feasible and mutually agreeable to the parties. The first session will begin at 9:00 a.m.
9. The Company and Union at the Mediation Conference may accept the resolution proposed by the mediator. Such settlement or any other settlement resulting from the conference shall not be

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precedent setting, unless both parties agree.

10. If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with a written advisory opinion within three (3) days, briefly stating the grounds therefor, unless both parties agree that no opinion shall be provided.
11. If no settlement is reached at the Mediation Conference, the grievance may be scheduled for arbitration in accordance with Article VI (Grievance/Arbitration Procedure).
12. In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Nothing said or done by the mediator may be referred to at arbitration. Any settlement proposal made by either party at the Mediation Conference shall not be referred to at the arbitration hearing.
13. The parties agree to share equally the costs associated with mediation.
14. The assessment of costs for mediation cases which have been appealed to arbitration under Article VI of the collective bargaining agreement shall be as follows:

Non-Discipline Cases:

- (A) If the Union fails to accept the mediator's recommendation, it may appeal the case to

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arbitration. If the arbitrator renders the same or less favorable decision than the mediator recommended, the full costs of that arbitration are then paid by the Union. If, however, there is a more favorable ruling than the mediator's recommendation, then the cost is split equally between the parties.

- (B) If the Company fails to follow a mediator's recommendation and receives the same or less favorable decision from a subsequent arbitration, the Company pays the full cost of that arbitration. If the arbitrator's award is more favorable to the Company than the mediator's recommendation, then the cost is split equally between the parties.

Discipline Case:

- (A) If the mediator's recommendation upholds the discipline in whole or in part, the Union may appeal the case to arbitration. If the arbitrator concurs with the mediator's recommendation, the Union will pay the full cost. However, if the arbitrator reduces the discipline lower than the mediator's recommendation or eliminates it, the costs will be split between the parties.
- (B) If the mediator recommends reducing or eliminating the discipline and the Company refuses to accept the mediator's recommendation and the case is moved to arbitration and then if the arbitrator reduces the discipline to the same

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degree as the mediator or less or eliminates it, the Company pays the full cost of the arbitration; otherwise, the costs will be split between the parties.

15. Payment shall include full costs for cases appealed from mediation and shall include the full cost of the arbitrator, court reporter, transcript and meeting facility if applicable. Each party's own costs shall not be included in this assessment.

B. Expedited Arbitration:

1. Pending arbitration cases which are not mediated, unresolved at Mediation Conference or are removed from Mediation may be referred to expedited arbitration by mutual agreement of the parties. Following disposition of pending cases, the parties may refer future grievances and disciplinary protests which are not resolved at Mediation to this Expedited arbitration by mutual agreement of the parties.
2. Within ninety (90) days of the ratification of this Agreement, the parties shall select three arbitrators to serve as expedited arbitrators for a term of the agreement from the current eleven person panel in a manner agreed upon by the parties. The arbitrators shall be scheduled for a period of twelve (12) months. The schedule shall initially provide for four days of hearings during a month. Effective three (3) months after the parties conclude

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selection of expedited arbitrators, during the remainder of the term of this agreement, either party may remove one (1) arbitrator from service as an expedited arbitrator. Vacancies of expedited arbitrators shall be filled by mutual agreement.

3. Two (2) cases shall be heard each day. The first case will begin at 8:30 a.m., the second case at 1:30 p.m. This schedule can be adjusted by mutual agreement to handle a third case.
4. No less than two (2) weeks prior to each scheduled expedited arbitration date the parties shall meet to determine which cases are to be heard at that scheduled date. At that time the parties shall seek to agree upon fact stipulations and shall exchange witness lists and evidence to be submitted at the hearing. Except for good cause shown as determined by the arbitrator, and rebuttal witnesses and evidence, no witnesses nor evidence not revealed at this time shall be admissible at the hearing.
5. At that time the parties shall also agree upon an issue statement. Failure to agree upon an issue statement will automatically refer the case back to regular arbitration.
6. At the hearing each party will have seventy-five (75) minutes to present its case, however,

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the arbitrator has the authority to extend the time. That time may be used in whatever fashion that party chooses, and allocated as it wishes. Cross examination shall count against the party conducting it.

7. The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before her or him by the representatives of the parties. In all respects, he or she shall assure that the hearing is a fair one. The arbitrator shall also be responsible for keeping the parties to the time allotted.
8. No briefs shall be filed nor transcripts made.
9. The arbitrator shall provide the parties with a written award at the conclusion of each case or by the close of the hearing day, including a brief written opinion in support of the decision unless both parties agree that no opinion shall be provided.
10. These decisions shall be final and binding upon the parties and shall not be cited as precedent in any succeeding arbitration case. The authority of the arbitrator shall be the same as provided for the Board of Arbitration pursuant to Article VI.

Step 5: Board of Arbitration

Should the Union and the Company fail to settle any

such arbitrable dispute, the matter in controversy shall be submitted in writing to a Board of Arbitration who shall settle such matter as provided herein.

(A) The Board of Arbitration shall consist of three members, one of whom shall be selected by the Company, one of whom shall be selected by the Union, and a third by mutual agreement of the Company and the Union. The fee charged by the third arbitrator shall be borne equally by the Company and by the Union.

The third member of the Board of Arbitration shall, within ten working days of the Company's acceptance of the Union's request for arbitration, be selected from one of two panels of independent arbitrators agreed upon by the parties, one panel for disputes covering discharges arising under the provisions of Section 6.5 (Disciplinary Procedure), and the second panel for other disputes arising under the provisions of Section 6.5 (Disciplinary Procedure) and Section 6.8 (Grievance/Arbitration Procedure).

The arbitrator listed at the top of such panel shall be selected, unless such arbitrator is disqualified as herein provided, in which case the next listed arbitrator shall be selected. The name of the selected arbitrator shall be moved to the bottom of the panel. The Union and the Company may, on an alternating basis, within the ten days provided above, disqualify the arbitrator listed at the top of

such panel, with the provision that each party may disqualify not more than one arbitrator for any one arbitration based on its turn for the first or second disqualification in the selection process.

Upon appointment of the Board of Arbitration, the parties shall arrange a hearing date and start hearings as promptly as possible, for it is the expressed desire of the parties to dispose of all arbitrable disputes as promptly as possible.

The decision of a majority of the Board of Arbitration shall be binding upon the Company, the employee, and the Union, unless any party to the controversy shall, within ten working days subsequent to such award, make a claim in writing that such award was invalid upon the grounds set forth in the Arbitration Statute of California Code of Civil Procedure. Upon receipt of such claim, the parties shall meet promptly to attempt to gain an understanding of such claim, and if possible to work out a solution therefor which will be acceptable to all parties to the controversy. No party to the controversy shall avail himself or herself of the provisions of any section of Code of Civil Procedure relating to the modification or correction of such award until the parties have made a diligent effort to compose their differences concerning the award, and in no event earlier than ten working days subsequent to the conclusion of the discussion of the claims of the aggrieved party that the award was improper upon the grounds set forth in the Arbitration

Statute of the Code.

(B) General Provisions:

If the Union decides to withdraw its request for arbitration, it shall so notify the Company in writing within ten working days of reaching such decision.

It is agreed that no issue or contention shall be arbitrable which is contrary to any express provision of this Agreement nor shall it involve a determination in disregard or in any manner violative of any power, authority, function or duty which under the provisions of this Agreement are expressly vested in or reserved to the Union or to the Company.

It is agreed that the Board of Arbitration or any one of them shall have no jurisdiction, power or authority to amend, modify, supplement, vary or disregard any provision of this Agreement in any respect whatsoever.

6.9 - Adjustment of Status and Pay

Where an appeal through grievance procedure is upheld, the Company agrees to adjust, in accordance with the findings, an employee's status and pay retroactively to the date of filing of the grievance. Notwithstanding and in no event to exceed the remedy contained in Section 6.1 (General Statement), the Board of Arbitration may, in non-discharge disciplinary grievances, modify the action taken by the Company.

Article VII

SHORTAGE OF WORK

7.1 - Seniority in Layoff

When there is a shortage of work in a specific job or job classification at a work location, the Company will seek to achieve reductions locally before expanding the layoff to unaffected areas. Where practical, work force will be reduced through voluntary movement of employees, by reassignment to fill vacancies within the affected job classification at the affected work location, or by voluntary termination from the Company. In addition, the Company will lay off employees in affected positions whose performance is rated less than satisfactory before laying off employees whose performance is satisfactory.

Employees will be subject to layoff in the inverse order of their seniority subject to the conditions specified in this Section. The affected employee subject to layoff is generally the least senior employee in the lowest level job at the affected work location, in the region or system wide. However, it is understood that employees being reassigned or filling positions under the provisions of this section must meet the minimum qualifications for the available job. An employee in a higher job at the affected work location who does not meet the minimum qualification for the lower job, or who is less senior than the least senior employee in the lower job classification(s) in the same progression, may become

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the least senior employee's performance is rated LTS, the employee is terminated with termination wages.

The displaced person who is the least senior employee in the lowest job classification and whose performance is rated satisfactory shall be offered the opportunity to exercise option 1 or to displace the least senior employee in the lowest job classification in the same job progression within the region or systemwide if no opportunity exists within the affected region.

3. Leave the Company with termination wages equal to one (1) week's pay for each completed year of service up to a maximum of 24 weeks.

4. Displace the least senior employee in a job classification the employee held during the previous five (5) years.

(B) Termination From the Company: Employees who terminate under this section, will terminate immediately with termination wages as described above.

(C) Red-Circle Pay: Employees reassigned by the Company under the provisions of this section who accept a job of lower pay grade, will receive red-circle pay until the rate of pay for the new job reaches the pay rate for the job from which the employee was laid off. The employee will retain red-circle pay for any subsequent job move initiated by the employee to a parallel or higher level job.

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the affected employee.

The affected employee will be notified of the shortage of work and will have ten(10) working days to accept a job offer or to terminate from the Company. During this period, the Company will provide the affected employee the opportunity to qualify for vacancies through prequalifying examinations and/or skills testing as required.

(A) The Company will identify vacancies or create vacancies throughout the company as job opportunities with the intent of achieving the reduction at the earliest possible step. **Any such job opportunities shall go first to a disability bidder with a bid on file for the position if such disability bidder has greater seniority than the affected employee.** Employees impacted by this process will be contacted only after job placement opportunities have been identified and not filled by a disability bidder. Such employees will be offered the choice of one of the following options:

1. Accepting one of the job vacancy(ies) identified by the Company;

2. Displacing the least senior employee, with less seniority, in the next lower classification in the same job progression at the same work location. This step is repeated to reach the least senior employee in the lowest job classification at the affected work location. If

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(D) Exemption from Restriction: Employees who are placed in new jobs under this section are exempt from the one-year restriction from bidding under Article V.

Nothing in this section should be construed as requiring the Company to place an employee in a job for which he or she is not qualified. The refusal of an offer of reemployment will terminate any obligation assumed by the Company.

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APPENDIX A

Pay Grades

Grade 1

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$18.10	\$18.99	\$19.35	\$19.72	\$20.11
Hourly Base Rate EH 7/1/05	\$18.51	\$19.42	\$19.79	\$20.18	\$20.57
Hourly Base Rate EH 7/1/06	\$19.16	\$20.10	\$20.48	\$20.89	\$21.29
Hourly Base Rate EH 7/1/07	\$19.88	\$20.88	\$21.26	\$21.68	\$22.09

Cashier-1
Cashier-Bilingual-1
Data Entry Operator-1
Facilities Helper
Mail Payment Clerk-1
Mail Sorter-1

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Pay Grades

Grade 2

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$19.96	\$20.66	\$21.35	\$21.76	\$22.19
Hourly Base Rate EH 7/1/05	\$20.41	\$21.44	\$21.94	\$22.25	\$22.89
Hourly Base Rate EH 7/1/06	\$21.13	\$22.20	\$22.61	\$23.03	\$23.49
Hourly Base Rate EH 7/1/07	\$21.93	\$23.04	\$23.46	\$23.90	\$24.38

Administrative Clerk-2
CARE Clerk-2
Cash Records Clerk-2
Collection Checking Clerk-2
Customer Service Representative-2
Customer Service Representative-Bilingual-2
Fleet Assistant
Logistics Associate
Mail Equipment Operator-2
Materials Delivery Control Clerk-2
Meter Repair Technician
Office Clerk-2
Payment Entry Operator-2
PBX Operator-2

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Pay Grades

Grade 3

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$21.40	\$22.46	\$22.90	\$23.35	\$23.81
Hourly Base Rate EH 7/1/05	\$21.89	\$22.97	\$23.42	\$23.88	\$24.35
Hourly Base Rate EH 7/1/06	\$22.66	\$23.78	\$24.24	\$24.72	\$25.21
Hourly Base Rate EH 7/1/07	\$23.51	\$24.68	\$25.15	\$25.65	\$26.16

Administrative Clerk-3
Administrative Clerk-Bilingual-3
Administrative Clerk-Steno-3
Base Assistant-3
Building Service Assistant
Communications Storeroom Keeper
Customer Correspondence Clerk-3
Data Control Clerk-3
Data Distribution Clerk-3
Direct Line Equipment Operator
Field Service Assistant
Gas Analysis Clerk-3
Gas Measurement Clerk-3
Instrument Shop Mechanic #2
Lead Bursting Machine Operator-3
Lead Mail Payments Clerk-3
Mapping Aide (Non-Region)
Mechanic #2
Meter Records Processing Clerk-3
Office Clerk-3 (CRC Only)
Outbound Dialing Representative-3
Outbound Dialing Representative-Bilingual-3
Payment Entry Clerk-3
Receptionist
Service Center Clerk-3
Transportation Logistics Representative

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Pay Grades

Grade 4

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$22.85	\$23.98	\$24.45	\$24.93	\$25.42
Hourly Base Rate EH 7/1/05	\$23.37	\$24.52	\$25.01	\$25.50	\$26.00
Hourly Base Rate EH 7/1/06	\$24.19	\$25.36	\$25.89	\$26.40	\$26.91
Hourly Base Rate EH 7/1/07	\$25.10	\$26.34	\$26.87	\$27.38	\$27.92

Administrative Clerk-4
Blacksmith
CARE Processing Clerk-4
Construction Technician
Customer Billing Analyst-4
Customer Contact Representative-4
Customer Contact Representative-Bilingual-4
Customer Contact Representative-Steno-4
Customer Contact Representative-Steno-Bilingual-4
Customer Service Representative-4
Customer Service Representative-Bilingual-4
Customer Service Representative-Steno-4
Customer Service Representative-Steno-Bilingual-4
District Operations Clerk
Electrician
Facilities Mechanic
Field Collector
Field Technician
Headquarters Payment Control Clerk-4
Laboratory Assistant
Lead Computer Operator-4
Lead Mail Equipment Operator-4
Logistics Representative
Mapping Assistant (Non-Region)
Materials Inspector
Measurement Technician #2
Meter Reading Clerk-4
Meter Reading Technician
Repair Shop Mechanic #1
System Protection Technician

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Pay Grades

Grade 5

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$21.54	\$25.77	\$26.78	\$28.79	\$27.33
Hourly Base Rate EH 7/1/05	\$25.10	\$26.35	\$26.88	\$27.40	\$27.95
Hourly Base Rate EH 7/1/06	\$25.98	\$27.28	\$27.83	\$28.36	\$28.93
Hourly Base Rate EH 7/1/07	\$26.96	\$28.31	\$28.88	\$29.43	\$30.02

Collection Routing Control Clerk-5
Collections Control Clerk-5
Dispatch Specialist
Energy Technician Distribution
Energy Technician Residential
Fabrication Shop Mechanic #1
Fleet Technician
Instrument Shop Mechanic #1
Lead Accounts Control Clerk-5
Lead Customer Correspondence Clerk-5
Lead Field Collector
Lead Gas Measurement Clerk-5
Lead Meter Mechanic
Lead Meter Records Clerk-5
Lead Outbound Dialing Representative-5
Lead Payment Control Clerk-5
Meter & Regulator Technician #2
Photographic Equipment Operator
Pipeline Planning Assistant
Pipeline Technician
Reconciliation Clerk-5
Revenue Protection Clerk-5
Senior Administrative Clerk-5
Senior Administrative Clerk-Steno-5
Senior Data Control Clerk-5
Senior Data Entry Operator-5
Senior Field Collector
Senior Logistics Representative
Senior Service Center Clerk-5
Station Technician

* Please see Energy Technician Residential Apprentice (ETRA) Side Letter Agreement

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Pay Grades

Grade 6

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$26.53	\$27.84	\$28.39	\$28.94	\$29.51
Hourly Base Rate EH 7/1/05	\$27.13	\$28.47	\$29.03	\$29.60	\$30.18
Hourly Base Rate EH 7/1/06	\$28.08	\$29.47	\$30.05	\$30.64	\$31.24
Hourly Base Rate EH 7/1/07	\$29.14	\$30.58	\$31.18	\$31.79	\$32.42

Assistant Telecommunication Technician
Commercial Services Technician
Electronic Energy Measurement Technician
Investigation Representative-6
Journey Facilities Mechanic
Laboratory Technician
Lead Branch Office Representative-6
Lead Branch Office Representative-Bilingual-6
Lead CARE Control Clerk-6
Lead Collection Representative-6
Lead Customer Billing Analyst-6
Lead Customer Service Representative-6
Lead Customer Service Representative-Bilingual-6
Lead Engineering Records Clerk
Lead Fleet Technician
Lead Instrument Shop Mechanic
Lead Materials Inspector
Lead Planning Clerk-6
Measurement Electronic Technician
Measurement Technician #1
Meter & Regulator Technician #1
Senior Electronics Equipment
Senior Shop Mechanic
Senior Work Order Analysis Clerk
Shop Welder
Special Accounts Representative-6
Station Operations Specialist
Storage Engineering Specialist
System Protection Specialist

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Pay Grades

Grade 7

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$28.44	\$29.85	\$30.43	\$31.02	\$31.62
Hourly Base Rate EH 7/1/05	\$29.08	\$30.53	\$31.12	\$31.72	\$32.34
Hourly Base Rate EH 7/1/06	\$30.10	\$31.60	\$32.21	\$32.84	\$33.48
Hourly Base Rate EH 7/1/07	\$31.23	\$32.79	\$33.42	\$34.08	\$34.74

Cathodic Protection Specialist
Journey Blacksmith
Journey Electrician
Journey Machinist
Journey Sheet Metal Mechanic
Journey Welder
Lead Construction Technician
Lead Dispatch Specialist
Lead Electrician
Lead Electronics Equipment Technician
Lead Facilities Mechanic
Lead Machinist
Lead Measurement Technician
Lead Repair Shop Mechanic
Mapping Associate
Measurement and Quality Technician
Measurement Specialist
NGV Station Technician
Office Equipment Technician
Planning Associate
Station Maintenance Specialist
System Gas Dispatcher
System Protection Planner
Transmission Welding Specialist

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Pay Grades

Grade 8

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate EH 1/1/05	\$30.51	\$32.03	\$32.66	\$33.30	\$33.95
Hourly Base Rate EH 7/1/05	\$31.20	\$32.76	\$33.40	\$34.05	\$34.72
Hourly Base Rate EH 7/1/06	\$32.30	\$33.91	\$34.57	\$35.25	\$35.94
Hourly Base Rate EH 7/1/07	\$33.52	\$35.16	\$35.87	\$36.58	\$37.29

Field Planning Associate
Gas Storage Specialist
Industrial Services Technician
Instrument Specialist
Lead Laboratory Technician
Lead Meter & Regulator Technician
Lead Planning Associate
Lead Systems Protection Specialist
Metal Crafts Leader
Telecommunication Technician
Transmission Pipeline Specialist

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Grade 9 8 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 1/1/05	\$32.71	\$34.34	\$35.02	\$35.71	\$36.41
Hourly Base Rate Eff. 7/1/05	\$33.45	\$35.12	\$35.81	\$36.52	\$37.23
Hourly Base Rate Eff. 7/1/06	\$34.63	\$36.35	\$37.07	\$37.80	\$38.54
Hourly Base Rate Eff. 7/1/07	\$35.93	\$37.72	\$38.46	\$39.22	\$39.99

Senior Instrument Specialist
Senior Telecommunications Technician

APPENDIX B

JOB INDEX LISTING

JOB PROGRESSIONS AND LAYOFF AREAS

The following list includes job progressions referred to in the Position Opportunity System and in Layoff. The payroll classifications included in each job progression are listed in ascending pay grade order.

Job progressions in different Regions/Departments are considered to be of the same type if they have the same progression titles.

Employees in the same job progression or in the same type of job progression at other work locations have bid priority over the other open bidders.

An employee facing layoff may displace another employee only in his or her current job progression and layoff area, or in the same type of job progression in another layoff area. When two or more classifications in a job progression are the same pay grade, for the purpose of layoff, they are to be treated as if they were one single classification.

HEADQUARTERS
ACCOUNTING OPERATIONS

Accounts Payable
Senior Administrative Clerk-5
Administrative Clerk-3

New Business Accounting
Reconciliation Clerk-5
Administrative Clerk-2

REGION OPERATIONS

RO Administrative Support
Lead Dispatch Specialist-7
Dispatch Specialist-5
Senior Administrative Clerk-5
District Operations Clerk-4
Meter and Regulator Clerk-3
Leakage Control Clerk-3
Administrative Clerk-3
Administrative Clerk-2

Field Services
Industrial Service Technician
Commercial Services Technician
Energy Technician Residential
Field Technician
Field Service Assistant (NOTE 6)

Construction
Field Planning Associate
Lead Construction Technician
Energy Technician Distribution
Construction Technician (NOTE 6)

(NOTE 6) Construction Technicians bidding to the Field Technician classification who meet the minimum qualifications will have equal bid rights to that of the Field Service Assistants.

REGION OPERATIONS

Planning

Lead Planning Associate
Planning Associate (NOTE 7)
Pipeline Planning Assistant (NOTE 8)

Field Collection

Lead Field Collector
Senior Field Collector
Field Collector

System Protection

Lead System Protection Specialist
System Protection Planner (NOTE 7)
System Protection Specialist (NOTE 8)
System Protection Technician

Meter and Regulator

Lead Meter and Regulator Technician
Meter and Regulator Technician #1
Meter and Regulator Technician #2

(NOTE 7) System Protection Planner and the System Protection Specialist will have equal bid rights to the Planning Associate as the Pipeline Planning Assistant. Planning Associate will have equal bid rights to the System Protection Planner.

(NOTE 8) Pipeline Planning Assistant will have equal bid rights to the System Protection Specialist as the System Protection Technician.

**REGION OPERATIONS
SOUTH INLAND REGION**

*RO Administrative Support

*Construction (NOTE 6)

*Field Services (NOTE 6)

*Planning (NOTE 7) (NOTE 8)

*Field Collection

*System Protection (NOTE 7) (NOTE 8)

*Meter and Regulator

**REGION OPERATIONS
NORTHERN REGION**

*RO Administrative Support

*Construction (NOTE 6)

*Field Services (NOTE 6)

*Planning (NOTE 7) (NOTE 8)

*Field Collection

*System Protection (NOTE 7) (NOTE 8)

*Meter and Regulator

**REGION OPERATIONS
PACIFIC COAST REGION**

*RO Administrative Support

*Construction (NOTE 6)

*Field Services (NOTE 6)

*Planning (NOTE 7) (NOTE 8)

*Field Collection

*System Protection (NOTE 7) (NOTE 8)

*Meter and Regulator

**HEADQUARTERS
BUSINESS SOLUTIONS AREA 1**

Fleet Maintenance
Lead Fleet Technician
Fleet Technician
Fleet Assistant

Facilities Maintenance
Lead Facilities Mechanic
Journey Facilities Mechanic
Facilities Mechanic
Facilities Helper

Logistics
Senior Logistics Representative
Logistics Representative
Transportation Logistics Representative
Logistics Associate

Administrative Support
Administrative Clerk-3 (NOTE 3)

(NOTE 3) This job has layoff rights to the Region Operations, Administrative Support job progression.

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**HEADQUARTERS
BUSINESS SOLUTIONS AREA 2**

Fleet Maintenance
Lead Fleet Technician
Fleet Technician
Fleet Assistant

Facilities Maintenance
Lead Facilities Mechanic
Journey Facilities Mechanic
Facilities Mechanic
Facilities Helper

Logistics
Senior Logistics Representative
Logistics Representative
Transportation Logistics Representative
Logistics Associate

Administrative Support
Administrative Clerk-3 (NOTE 3)

(NOTE 3) This job has layoff rights to the Region Operations, Administrative Support job progression.

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**HEADQUARTERS
BUSINESS SOLUTIONS AREA 3**

Fleet Maintenance
Lead Fleet Technician
Fleet Technician
Fleet Assistant

Facilities Maintenance
Lead Facilities Mechanic
Journey Facilities Mechanic
Facilities Mechanic
Facilities Helper

Logistics
Senior Logistics Representative
Logistics Representative
Transportation Logistics Representative
Logistics Associate

Administrative Support
Senior Administrative Clerk-5
Administrative Clerk-3 (NOTE 3)
Receptionist Clerk-3
PBX Operator-2

Office Equipment Repair
Office Equipment Technician

(NOTE 3) This job has layoff rights to the Region Operations, Administrative Support job progression.

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**HEADQUARTERS
BUSINESS SOLUTIONS AREA 3**

Materials Inspection
Lead Materials Inspector
Materials Inspector

Meter Shop
Lead Meter Mechanic
Meter Repair Technician

Electronics Repair Shop
Lead Electronics Equipment Technician
Senior Electronics Equipment Technician

Measurement Operations Administrative Support
Lead Planning Clerk-6
Lead Meter Records Clerk-5
Meter Records Processing Clerk-3
Material Delivery Control Clerk-2

Repair Shop
Lead Repair Shop Mechanic
Senior Shop Mechanic
Repair Shop Mechanic #1
Mechanic #2

Machine Shop
Lead Machinist
Journey Machinist

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**HEADQUARTERS
BUSINESS SOLUTIONS AREA 3**

Blacksmith*
Journey Blacksmith
Blacksmith

Fabrication Shop*
Journey Sheet Metal Mechanic
Fabrication Shop Mechanic #1
Mechanic #2

Metal Crafts*
Metal Crafts Leader

Welder*
Journey Welder
Shop Welder

*Journey Welder, Journey Blacksmith, and Journey Sheet Metal Mechanic are considered first for promotion to Metal Crafts Leader prior to any other candidates.

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**HEADQUARTERS
INFORMATION TECHNOLOGY
TELECOMMUNICATIONS FIELD**

Telecommunications Technical
Senior Telecommunications Technician
Telecommunications Technician
Assistant Telecommunications Technician

Communications Storeroom
Communications Storeroom Keeper

Communications Administrative Support
Administrative Clerk-3

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**HEADQUARTERS
CUSTOMER SERVICE MASS MARKETS**

Customer Contact Center
Lead Customer Service Representative-6
Customer Service Representative-4
Office Clerk-3 (CCC)
Customer Service Representative-2

CARE

Lead Care Control Clerk-6
CARE Processing Clerk-4
CARE Clerk-2
Office Clerk-2

DAP

Senior Administrative Clerk-5
Administrative Clerk-3-Bilingual
Administrative Clerk-3

Correspondence

Lead Customer Correspondence Clerk-5
Customer Correspondence Clerk-3

Investigation

Investigation Representative-6

Outbound Dialing

Lead Outbound Dialing Representative-5
Outbound Dialing Representative-3 (Bilingual)
Outbound Dialing Representative-3

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**HEADQUARTERS
CUSTOMER OPERATIONS****Branch Offices**

Lead Branch Office Representative-6 (NOTE 11)
Customer Contact Representative-4 (NOTE 11)
Administrative Clerk-4
Cashier-1

Mass Markets Credit Collection

Lead Collection Representative-6
Senior Administrative Clerk-5
Collection Control Clerk-5
Collection Routing Control Clerk-5
Administrative Clerk-3
Collection Checking Clerk-2

Mass Markets Billing Services

Lead Customer Billing Analyst-6
Special Accounts Representative-6
Lead Accounts Control Clerk-5
Revenue Protection Clerk-5
Customer Billing Analyst-4
Administrative Clerk-3
Office Clerk-2

Sundry Billing

Senior Administrative Clerk-5
Administrative Clerk-3
Administrative Clerk-2

(NOTE 11) For purposes of layoffs in Payment Offices, Lead Branch Office Representatives and Customer Contact Representatives may bump into the Customer Contact Center Progression.

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HEADQUARTERS
CUSTOMER OPERATIONS

Remittance Processing
 Lead Payment Control Clerk-5
Senior Administrative Clerk-5
 Headquarters Payment Control Clerk-4
 Data Control Clerk-3
 Payment Entry Clerk-3
 Care Processing Clerk-2
 Cash Records Clerk-2
 Payment Entry Operator-2
 Care Clerk-1

Meter Reading Operations

Meter Reading Clerk-4
 Meter Reading Technician-4 (NOTE 10)
 Meter Reader - R

Gas Measurement Data Operations

Lead Gas Measurement Clerk-5
 Gas Measurement Clerk-3

Data Distribution

Senior Data Control Clerk-5
 Lead Computer Operator-4
 Lead Mail Equipment Operator-4
 Data Distribution Clerk-3
 Mail Equipment Operator -2
 Office Clerk-2

(NOTE 10) An employee who previously worked as a Meter Reader, for one year or more, will be qualified to bid for the Meter Reader Technician position.

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HEADQUARTERS
CUSTOMER SERVICES -- MAJOR MARKETS

COMMERCIAL AND INDUSTRIAL SERVICES

Commercial and Industrial Sales
 Administrative Clerk-3

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GAS TRANSMISSION

GAS OPERATIONS

Gas Control Administrative Support
 Senior Administrative Clerk-5

Gas Control

System Gas Dispatcher

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GAS TRANSMISSION

TRANSMISSION OPERATIONS

Station Operations
 Station Operations Specialist
 Station Technician (NOTE 4)

Base Operations
 Base Assistant

Instrument
 Senior Instrument Specialist
 Instrument Specialist
 Measurement Specialist

Station Maintenance
 Station Maintenance Specialist
 Station Technician (NOTE 4)

Cathodic Protection
 Cathodic Protection Specialist
 Pipeline Technician (NOTE 5)
 Station Technician (NOTE 4)

Pipeline
 Transmission Pipeline Specialist
 Transmission Welding Specialist
 Pipeline Technician (NOTE 5)

Transmission Pipeline Planning
 Pipeline Planning Assistant

Administrative Support
 Senior Administrative Clerk-5
 Administrative Clerk-4
 Administrative Clerk-3

(NOTE 4) Employees in the Station Technician classification will have: 1) transfer priority to any Station Technician job regardless of progression or department; 2) progression bid priority to higher jobs in their immediate job progression or same type of progression elsewhere; 3) change in line of work bid priority to Specialist jobs in any other progression.

(NOTE 5) Employees in the Pipeline Technician classification will have: 1) transfer priority to any Pipeline Technician job regardless of progression or department; 2) progression bid priority to higher level jobs in their immediate progression; 3) change in line of work bid priority to higher level jobs in other progressions.

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GAS TRANSMISSION**STORAGE OPERATIONS**

Station Operations
 Station Operations Specialist
 Station Technician (NOTE 4)

Base Operations
 Base Assistant

Instrument
 Senior Instrument Specialist
 Instrument Specialist
 Measurement Specialist

Station Maintenance
 Station Maintenance Specialist
 Station Technician (NOTE 4)

Cathodic Protection
 Cathodic Protection Specialist
 Station Technician (NOTE 4)

Gas Storage
 Gas Storage Specialist
 Station Technician (NOTE 4)

Storage Engineering
 Storage Engineering Specialist-6
 Senior Work Order Analysis Clerk-6

Administrative Support
 Senior Administrative Clerk-5
 Administrative Clerk-3

(NOTE 4) Employees in the Station Technician classification will have: 1) transfer priority to any Station Technician job regardless of progression or department; 2) progression bid priority to higher jobs in their immediate job progression in same type of progression elsewhere; 3) change in line of work bid priority to Specialist jobs in any other progression.

GAS TRANSMISSION**GAS ENGINEERING**

Engineering Analysis Center
 Lead Laboratory Technician
 Laboratory Technician
 Laboratory Assistant

Engineering Services Administrative Support
 Administrative Clerk-3

Measurement Gas Analysis
 Lead Measurement Technician
 Measurement Technician #1

Mapping
 Mapping Associate
 Mapping Assistant
 Mapping Aide

Mapping Administrative Support
 Lead Engineering Records Clerk-6
 Senior Administrative Clerk-5
 Administrative Clerk-3

GAS TRANSMISSION**GAS ENGINEERING**

Electrician
 Lead Electrician
 Journey Electrician

NGV Maintenance
 NGV Station Technician
 Electronic Energy Measurement Technician

Instrument Shop
 Lead Instrument Shop Mechanic
 Instrument Shop Mechanic #1
 Instrument Shop Mechanic #2

Measurement Electronics
 Measurement Electronics Technician

Measurement Standards Quality
 Measurement and Quality Technician

APPENDIX C

**LETTER OF AGREEMENT WITH UTILITY
 WORKERS UNION OF AMERICA, AFL-CIO, LOCAL
 522-SALES RE SECTION 2.2 (A) – RECOGNITION**

The functions currently performed by the classification of Energy Sales Engineers, Commercial Accounts Specialist, Major Builder Account Specialist and Dietitian are to be recognized as managerial duties outside the scope of the Agreement and that the Union ceases its representation of the employees performing said functions effective upon acceptance of the contract.

The Company agrees to accept all current incumbents into management positions.

Affected employees would be eligible for the special early retirement program, adding three (3) years to age and three (3) years to seniority.

Affected employees would be eligible for any open CSP jobs on a priority basis until September 1, 1994. However, they will be held to the same performance standards as any CSP achieving the job on a regular basis.

Affected employees who wish to return to the bargaining unit would have layoff priority rights in bidding for one year. Pay upon return to the bargaining unit would be grandfathered at the rate they were receiving when they left the bargaining unit.

In addition, the Company and the Union agree to the following stipulated conditions:

1. Each qualified participant in the 1993 nonmanagement Marketing Incentive Plan will receive a 2% Customer Service Satisfaction Bonus.
2. The Union will withdraw the overtime/compensation charge with the Department of Labor.
3. The Union will withdraw the NLRB case for alleged unilateral changes in Marketing with respect to the ESEs.
4. All grandfathered employees in the bargaining unit as well as any grandfathered employee transferring into the bargaining unit will be subject to 2.2 beginning July 1, 1994. Section 2.2 will be revised accordingly.

Accepted:

G. A. Acosta
 For the Union

G. Joyce Rowland
 For the Company

H. L. Garcia
 For the Union

Date: 3/5/94

3/5/94

**LETTER OF AGREEMENT BETWEEN THE GAS
COMPANY AND LOCAL 132 OF THE UTILITY
WORKERS UNION OF AMERICA, AFL-CIO,
RE SECTION 2.2 (C) - BI-WEEKLY DUES**

An employee may join or authorize that dues deductions be paid to Local 132, Utility Workers Union of America, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on each payday of every month, deduct from any employee's wages for the related pay periods the amounts required to equal total membership dues. The Union agrees that the dues shall be constructed in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. Such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another as defined in Section 2.2(A) (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of his or her transfer.

Accepted:

Date: J. Viot
For the Union
3/5/94

G. Joyce Rowland
For the Company
3/5/94

CHILD CARE

The Company proposes to establish 4 Regional and 1 Headquarters task force teams to develop and implement child care initiatives based on the needs and possibilities of each area.

Each team will be funded with \$5,000 to use as each determines, except that no funds can be paid directly to employees.

Teams will convene after consolidation is complete.

The following are examples of initiatives the teams may implement:

- Identify and publicize local child care options.
- Work with other area employers to establish coalitions and use the \$5,000 as our contribution to the establishment of a local child care facility.
- Use the \$5,000 as "seed money" to help a child care provider establish a convenient facility.

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**LETTER OF AGREEMENT WITH UTILITY
WORKERS UNION OF AMERICA, AFL-CIO, AND
INTERNATIONAL CHEMICAL WORKERS UNION,
AFL-CIO, FOR TRANSMISSION RE SECTION 7.1
OR LETTER OF AGREEMENT, LAYOFFS**

With respect to Transmission, no layoff bidder shall be placed into the following open jobs:

Cathodic Protection Specialist
Gas Storage Specialist
Instrument Specialist
Senior Instrument Specialist
Station Maintenance Specialist
Station Operations Specialist
System Gas Dispatcher (1)
Transmission Pipeline Specialist
Transmission Welding Specialist

If the job is higher than their current pay level unless the list of senior, qualified bidders for the position has been exhausted.

Accepted:

Dennis Zukowski
President
Local 483-UMUA, AFL-CIO
For the Union

G. J. Rowland
Manager of Labor Relations
For the Company

Date: 3/5/94 3/5/94

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LETTER OF AGREEMENT

Part-time and full-time temporary employees in bargaining unit positions shall become part of the unit after 520 hours of continuous employment in a 12-month period. Calculation of hours worked will begin the first of the month immediately following signing of the contract.

They will pay prorata dues or dues equivalent after 520 hours of continuous employment in a 12-month period.

The only part of the contract which applies to part-time and full-time temporary employees is Section 4.1(A) (excluding premiums not currently paid to part-time or full-time temporary employees).

As in the past, part-time and full-time temporary employees are terminable at will. Dues check-off will be initiated as soon as programming changes are made. This should be about September 1, 1994.

Accepted:

Date: J. Viot
For the Union
3/5/94

G. Joyce Rowland
For the Company
3/5/94

Note: In addition to the above, part-time employees are accorded bidding rights under Section 5.10 (Position Opportunity and Placement).

**LETTER OF AGREEMENT WITH UTILITY
WORKERS UNION OF AMERICA, AFL-CIO, AND
INTERNATIONAL CHEMICAL WORKERS UNION,
AFL-CIO, RE MEDICAL PLAN**

As a result of the 1993 negotiations, the Union and the Company hereby agree to set up an ongoing structure to facilitate the development of joint approaches to benefit issues.

Five members of the UMUA and five members of the ICWU will participate as a Benefit Committee. This Committee will meet regularly once every two (2) months, with additional meetings called upon as needed. In addition to reviewing benefit plan financial data, the Committee will attempt to work with the Company to anticipate the needs of both parties in ensuring contract negotiations and solve these problems through long-range planning.

If either party requests a Special Committee meeting, this request must be made in writing and must propose a meeting and location mutually convenient to both parties. Unless waived by both parties, the meeting request should be at least 20 days in advance of the meeting date, and should be accompanied by an agenda of the most relevant items to be discussed. In addition, the joint union expects a continuation of the current relationship where reasonable benefit information requests are responded to quickly by the Company.

Accepted:

Date: J. Viot
For the Union
3/5/94

G. Joyce Rowland
For the Company
3/5/94

189

**LETTER OF AGREEMENT WITH UTILITY
WORKERS UNION OF AMERICA, AFL-CIO
CONSECUTIVE DAY RULE-TRANSMISSION**

An employee whose schedule is changed where such change affects previously scheduled days off and results in the employee working in excess of seven (7) consecutive days, will be paid one (1) dollar per hour above their hourly rate. This special premium will be paid for hours worked on the entire regular work schedule until employee is off with or without pay for a full day for any reason or until Section 4.2 (G) applies.

Regular Schedule							New Schedule						
1	2	3	4	5	6	7	1	8	9	10	11	12	13
5	S	M	T	W	Th	F	1	S	S	M	T	W	Th
X	X	D	D	D	D	D	1	G	G	G	G	X	X

Shift Change

Note:

1. Employee's schedule was changed, which affected his or her scheduled days off and worked more than 7 consecutive days.
2. The employee is entitled to 1 dollar per hour for each regular hour worked until an employee is off for a full day or until 4.2(G) applies.
3. One (1) dollar premium does not apply to overtime worked.

Accepted:

Dennis Zukowski
For the Union
3/5/94

G. Joyce Rowland
For the Company
3/5/94

LETTER OF INTENT RE SECTION 5.10 (D)

Below is the procedure for handling Job Requests (JR's) which are received in Employment for outside hire, including at which point additional release are made to Employee Placement for late bidders.

- (1) Applicant pool is checked for qualified applicants.
- (2) Hiring interviews are scheduled.
- (3) If there are no qualified applicants, recruit as appropriate by recorded employment information advertising, and/or targeted recruiting, etc.
- (4) If recruiting efforts specifically stated recruiting for current openings, hiring interviews for qualified applicants are scheduled.
- (5) If recruiting efforts fail to generate qualified candidates, the JR's are returned to Employee Placement for late bidders.
- (6) If recruiting efforts stated recruiting for future openings, the JR's are returned back to Employee Placement for late bidders prior to scheduling applicants for hiring interviews.
- (7) If the requested number of applicants has been interviewed and turned down by the hiring supervisor for job-related reasons, the JR's are returned back to Employee Placement for late bidders before scheduling additional applicants for interviews.

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LETTER OF AGREEMENT – SECTION 5.10 (J) PART-TIME WORK FOR DISABLED EMPLOYEES

Allow able "permanent and stationary" disability employees who cannot return to their regular and customary work to work part-time on a voluntary basis, subject to the following:

- (1) Combined active and disability wages will equal or exceed the employee's disability pay rate, depending on the level of the part-time job and the work schedule, but cannot exceed the full-time pay rate for the part-time job classification.
- (2) The eligibility period for employees who are limited to 5 years of disability benefits will be extended by one calendar day for each 8 hours actually worked, but the employee will be terminated upon completing 5 cumulative years on the disability payroll.
- (3) Vacation accrued, based on seniority and time actually worked in the part-time assignment, may be used after a 180-day waiting period.
- (4) Sick leave allowance accrued, based on seniority and time worked in the part-time assignment, may be used on scheduled workdays if unable to work for medical reasons unrelated to the illness or injury that precludes a return to usual and customary work.
- (5) Two holiday credits available upon return to work in the part-time assignment.
- (6) Effective January 1, 1994:

Accepted	Date: J. Vito For the Union 3/9/94	G. Joyce Rowland For the Company 3/9/94
Date:		

LETTER OF INTENT – CLASSES OF EMPLOYMENT

The Company policy regarding Classes of Employment is as follows:

A. General

The Company maintains two classes of employment, Regular and Temporary, to meet its basic operational needs. Special employment needs are met through independent contract employment.

B. Regular Employment

"Regular employment" is appropriate when the work is of sufficient duration to warrant the creation of a regular full-time job. Regular jobs are created or eliminated depending upon the condition of the Company's business. All persons hired into regular employment serve a probationary period of six to nine months.

C. Temporary Employment

"Temporary employment" is appropriate when the work is of insufficient duration or volume to warrant a regular position. There are two types of temporary employment: Full-time or Part-time.

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1. Full-time temporary employment may not normally exceed a lifetime maximum of six months continuous or accumulated employment. Circumstances may develop to warrant an employee exceeding the limitation. Full-time temporary employment is appropriate when it appears that the temporary job may evolve into a regular position.

2. Part-time temporary employment is appropriate when the employee is normally scheduled to work a maximum of 40 hours per biweekly pay period (including overtime). It is normally limited to less than 1,000 hours total accumulation during the first 12 months of employment and, each subsequent calendar year. Exceptions to the limitation may occur due to the complexity of some part-time jobs, unforeseen heavy work loads or other emergencies.

(a) Part-time temporary employees are not worked beyond the regular schedule solely to reduce occasional overtime work by regular employees not used for the purpose of paying lower salaries.

(b) Part-time temporary employment, within the limits described above, may continue for relatively long periods with the understanding that part-time employees are not used when essentially the same results are obtainable by using regular full-time employees.

(D) Contract Employment

"Contract employment" instead of temporary employment is the preferred method of hiring when the length of a full-time temporary assignment would not offset Company costs incurred for temporary Company employment, i.e., hiring, training, and unemployment insurance benefits. Contract employment is also appropriate when work of a limited duration requires a special skill which can best be met by using personnel obtained from "Contractors" or individuals working as consultants.

1. Contract employees for office work are hired through temporary personnel agencies. Prerequisite basis for most classifications have been established through an annual bid process between Human Resources and the Contractors. Arrangements for such contract personnel are made centrally through Human Resources.

2. Contract employees for field and mechanic work are arranged for by the operating departments involved. They are used for the most part in two circumstances: (1) in situations of fluctuating work loads to avoid periodic shortages of work for regular employees or (2) when Contractors have specialized skills or equipment which make it more efficient for the Company to use them.

3. Distribution Contract Employment shall be held to a ratio of Company/contract employees not to exceed 40% contract employees.

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CONTRACT EMPLOYEE REPORTS SIDE LETTER AGREEMENT

The Company and Union agree to the following:

The Company will provide a semi-annual report to the Union identifying contract employees doing represented work (excluding Distribution), including start dates and overtime hours.

The Company will provide a semi-annual report of Distribution Contract employees showing the ratio of Company/Contract employees.

The following planning job classifications: Pipeline Planning Assistant (PPA) & Field Planning Associate (FPA) will be added to Section 2.1(B)(1); "Contracting Out" and will be considered "Forced-In Classifications."

J. B. Lane For the Company	Mark Harris For the Union
Date: 5/21/2002	Date: 5/21/2002

STATION TECHNICIANS IN STORAGE SIDE LETTER AGREEMENT

The Company and Union agree to the following:

In addition to Shift Change Rights as outlined in Section 3.8 of the Agreement, Station Technicians in Storage may request a change in rate of progression from Station Technician/Maintenance to Station Technician/Operations and vice versa at their immediate work location.

The employee requesting the change must have greater seniority than the least senior Station Technician in the requested progression at the location. Changes are limited to once per year and must coincide with the shift changes. A letter requesting the change must be submitted in writing to the appropriate supervisor not later than the first day of the preceding January to be effective the following February.

J. B. Lane For the Company	Mark Harris For the Union
Date: 5/21/2002	Date: 5/21/2002

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FIELD SERVICE ASSISTANT SIDE LETTER AGREEMENT

The Company and Union agree that the newly created Field Service Assistant (FSA) classification is to assist in completing non-entered company orders on customers' premises. This classification will be added to the Field Service Progression and is considered "Safety Sensitive" as outlined in the Department of Transportation Regulations.

Current Service Service Representatives will be mapped to the FSA classification.

Construction Technicians bidding to Field Technician positions shall have bid rights that are equal to the Field Service Assistant.

J. B. Lane For the Company	Mark Harris For the Union
Date: 5/21/2002	Date: 5/21/2002

ENERGY TECHNICIAN - DISTRIBUTION SIDE LETTER AGREEMENT

The Former Field Mechanics (as of 11/2/96) who have not secured an Energy Technician - Distribution position shall have priority bid rights to the ETD classification over all other bidders. This revised agreement shall remain in effect for the term of the contract (April 1, 2002 through December 31, 2004).

J. B. Lane For the Company	Mark Harris For the Union
Date: 5/21/2002	Date: 5/21/2002

OUT OF TOWN EXPENSES SIDE LETTER AGREEMENT

The Company and Union agree to the following:

Employees who are reimbursed for out-of-town expenses for Company-required training can receive pay of excess time and mileage to return home during breaks in training of two days or more. This option is available in lieu of paid lodging and per diem expenses during such breaks. Supervisors must be notified in time to avoid lodging cancellation costs.

J. B. Lane For the Company	Mark Harris For the Union
Date: 5/21/2002	Date: 5/21/2002

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LETTER AGREEMENT PART TIME EMPLOYEES

The Company and Union agree:

Part Time employees with 6 months of service will be afforded all rights under Article VI for any discipline received from Section 6.3A or Section 6.3B.

Part Time Employees who work 1,000 hours or more per year shall receive 16 hours of Personal Business time the following year. If an employee works more than 700 hours but less than 1,000 hours in any following year after reaching the initial 1,000-hour threshold, that employee will receive 8 hours of Personal Business time the following year.

Part-time employees who have two or more consecutive years of 1,000 hours or more per year will continue to receive the medical benefit options under the existing agreement. Once an employee qualifies for the two consecutive year benefit, they must work a minimum of 900 hours/year to maintain their medical benefits.

Effective January 1, 2008, part-time employees who work 1,000 hours or more in one year and who do not have prior consecutive years of 1,000 hours or more will be eligible to receive the medical benefit described below:

Eligibility for the low cost HMO: Employee Only option, with the Company paying a fixed contribution of \$100/month and the employee paying the difference between the total premium and the Company's fixed contribution, for the term of this agreement.

The employee may opt out of the medical option above and receive a \$100/month stipend.

S.J. Bosworth
For the Company
Date: 01/01/05

Marta Rodriguez-Harris
For the Union
Date: 01/01/05

LETTER AGREEMENT

Re: Union Leave of Absence

The Company and the Union agree to the following language regarding C-8:

The Company will pay for four (4) UMWIA and four (4) ICWUC members (the "panel"), one (1) member from UMWIA Local 483 and one (1) member from UMWIA Local 522 during contract negotiations, including ratification. The Company will pay for all days of bargaining for the first 4 months of future negotiations.

S.J. Bosworth
For the Company
01/01/05

Marta Rodriguez-Harris
For the Union
01/01/05

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JOB EVALUATION PROCESS SIDE LETTER AGREEMENT

The Company and Union agree to the following:

1. No existing job can be lowered unless it falls at least 5 points below the bottom of its grade.

2. All PAQ results will be in whole numbers with .5 or a point rounded up.

3. Job Evaluation for purposes of evaluating levels, to be done only when:
a. General Bargaining in progress.
b. Brand new classifications.
c. Mid-Term by mutual agreement when major changes take place in an existing classification.

4. All job evaluations to be completed within 10 months. All jobs, if any, that increase in level will be paid back to the time the PAQ process begins, for those sets of jobs being evaluated.

5. The job evaluations will be conducted by a tripartite panel including an external vendor (who will be an employee from HQ of Jeanette, initially Ann Jackson), a Company representative, and a Union representative.

6. Additionally, the company and union will jointly select the job incumbents to be interviewed and the location of the interviews.

7. The Union and Company agree to evaluate the following classifications:

Customer Billing Analyst
Journey Electrician
Mapping Assistant
Station Maintenance Specialist
Measurement Technician 1
Gas Measurement Clerk 3
Leakage Control Clerk 3 (Incumbents will be mapped first)
Meter and Regulator Clerk 3 (Incumbents will be mapped first)
Cashier 1
Facilities Mechanic

* If the Measurement Technician 1 goes up one pay level, the Lead Measurement Technician will go up one pay level.

S.J. Bosworth
For the Company
Date: 01/01/05

Marta Rodriguez-Harris
For the Union
Date: 01/01/05

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LETTER AGREEMENT

Re: Bid Priorities in Transmission and Storage

This Letter of Agreement is a non-precedent setting agreement executed by and between the Southern California Gas Company (SCGC) and the Utility Workers Union of America, AFL-CIO, Local 483.

The parties agree to extend the letter Agreement regarding Bid Priorities in Transmission and Storage dated April 20, 2001.

All Technicians and Specialists shall have the same progression bid preference to all Specialist openings. When bidding, Technicians and Specialists must meet the minimum job qualifications as outlined in the job profile.

The parties to this agreement further state that they have carefully read this agreement and that they understand its final and binding effect; that the only promises made to them to sign the agreement are those stated above.

S.J. Bosworth
Manager, Labor Relations
For the Company

Dennis Zukowski
President, Local 483
For the Union

Date: 01/01/05

Date: 01/01/05

LETTER AGREEMENT

Re: Mandatory Overtime Report

The Company and the Union agree to the following regarding U-27:

The Company will provide the Union with quarterly reports listing mandatory overtime in Customer Service Field by region and base.

S.J. Bosworth
For the Company
01/01/05

Marta Rodriguez-Harris
For the Union
01/01/05

LETTER AGREEMENT

Re: Cause of Discipline

The Company and the Union agree to the following regarding U-25:

The Company will mail a copy of the Cause of Discipline card currently sent to the employee under Section 6.5 (A), (B), or (C) to the union consistent with the provisions of this section.

S.J. Bosworth
For the Company
01/01/05

Marta Rodriguez-Harris
For the Union
01/01/05

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LETTER AGREEMENT

Re: Last Chance Agreements/ADR Training

Last chance agreements must be signed by a Local Union President and the Manager of Labor Relations.

The Company and Union will hold two ADR training sessions in 2005 and one training session per year, if necessary.

The Company will sustain pay for two officers to attend ADR training.

The Company will deal with pay the Union Stewards who attend the ADR training, the succeeding day to attend a union training day.

S.J. Bosworth
For the Company
01/01/05

Marta Rodriguez-Harris
For the Union
01/01/05

LETTER AGREEMENT

Re: Paid Union Leave

In conjunction with the 2004 negotiations between the parties, the following was agreed to regarding employees off on Union business under Article 2, Section 2 (B):

Employees who are absent from work at the Union's request, under the provisions of Article 2, Section 2 (B) for short, intermittent periods of time of 10 days or less, shall be paid by the Company at their regular classification straight time rate for up to eight hours per day. Such payment shall be advanced as "Union wages", but will be considered as "Company wages paid" for the purpose of computing an employee's base earnings for employee benefits. However, during such time, each employee will be considered as employees of the Union for all employment purposes set forth in the Worker's Compensation and Insurance chapters of the California Labor Code.

In return, the Union agrees to provide the Company with 24 hours of written notice for the release of such employees in all but emergency circumstances. The clearance for the leave under the Agreement must be authorized by the Local Union President. The Union further agrees that in cases of routine regularly scheduled meetings, the Union will provide written request as far in advance of the meeting as practicable.

R7 Union Business With Pay (Company Pays)
B1 Union Business Without Pay
UP Union Business With Pay (Union Reimbursement to Company)

The Union will reimburse the Company for any such wages advanced to employees pursuant to this letter on a monthly basis, upon receipt of an itemized statement from the Company.

S.J. Bosworth
For the Company
01/01/05

Marta Rodriguez-Harris
For the Union
01/01/05

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LETTER AGREEMENT

Re: Reimbursable Expenses

The Company and Union agree to the following:

Employees will receive reimbursable expenses in the same form as they receive their regular paycheck (e.g., if paycheck is received via direct deposit, reimbursable expenses would be received via direct deposit).

S. J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

LETTER AGREEMENT

Re: Medical Appointments

The Company and the Union agree to the following regarding U-48:

The Company will provide the option of medical appointments on company time, when appropriate (Doctors appointment only); employee must provide verification of appointments.

S. J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

LETTER OF AGREEMENT

Customer Contact Center

The Company and the Union agree to create alternate weekend schedules for graveyard shifts at the San Dimas Customer Contact Center and to resolve the schedules at the local level.

S. J. Bosworth
For the Company
Date: 01/01/05

Maria Rodriguez-Harris
For the Union
Date: 01/01/05

199

LETTER AGREEMENT

Re: Meter Reader Base Wage Increases

January 1, 2005

Part-time Stage 1: \$11.00 / hour
Part-time Stage 2: \$15.50 / hour
Meter Reader - R: \$16.50 / hour

July 1, 2005

Part-time Stage 1: \$11.05 / hour
Part-time Stage 2: \$15.75 / hour
Meter Reader - R: \$17.25 / hour

July 1, 2006

Part-time Stage 1: \$11.10 / hour
Part-time Stage 2: \$16.00 / hour
Meter Reader - R: \$18.00 / hour

July 1, 2007

Part-time Stage 1: \$11.15 / hour
Part-time Stage 2: \$16.25 / hour
Meter Reader - R: \$19.00 / hour

S. J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

LETTER AGREEMENT

Re: Notification of New Hires

The Company and the Union agree to the following regarding U-10:

The Company will provide notification to the Union of new full-time represented hires twice a month.

S. J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

200

LETTER AGREEMENT

Re: Customer Service Field Employees (ETRs, ETR-AAs and FTs)

The Company and the Union agree to the following:

Effective the date of the signing of this Agreement, the Company and the Union will attempt to maximize the number of static Monday through Friday regular work schedules for employees in the Energy Technician Residential (ETR) classification. In order to accomplish this objective and provide satisfactory levels of customer service, the Company and the Union also agree that static Saturday work schedules may be established. For the duration of this Agreement, staffing levels for the new static Saturday schedule will be no greater than 2004 Saturday staffing levels at the Company and region levels. The Company and the Union further agree that static Sunday work schedules may be established. For the duration of this Agreement, staffing levels for the new static Sunday schedule will be no greater than 2004 Sunday staffing levels at the Company and region levels. It is understood that Sunday is not a regular workday. The practice for scheduling and dispatching Sunday work will remain the same.

The details of these new schedules include:

- Static Monday through Friday work schedules with Saturday and Sunday as scheduled days off
- Static Saturday work schedules with Sunday and Monday as scheduled days off
- Static Sunday work schedules with Friday and Saturday as scheduled days off
- Static Saturday work schedules with split days off
- Work schedules other than those listed above can be considered and must be mutually agreed to by the Company and the Union.

All schedules will be offered first in seniority order on a voluntary basis. Unfilled schedules will be assigned in inverse seniority order. For districts that select rotating schedules, in recognition of seniority, employees may select shifts, schedules and SDOs (scheduled days off) on a voluntary basis, in seniority order.

The new schedules will become effective during the 2nd quarter of 2005. Prior to the implementation of the new work schedules, employees at a district/work location will collectively and affirmatively choose to have static or non-static Saturday/Sunday work schedules. In the event that any district/work location votes in the prescribed methods to use static Saturdays as proposed above, the language in section 5.5 (A) of the Agreement, "no two consecutive Saturdays will be part of the regular schedule" shall be deemed inapplicable to that location for as long as the location continues to use static Saturday/Sunday work schedules. Should the Customer Service Field employees at that district/work location later vote in the prescribed manner to return to their former work schedules, the aforementioned language in section 5.5 (A) shall return to full force and effect at that base/work location.

Employees at district/work locations must collectively select, by secret ballot vote (50% + 1), the current work schedules: into static Saturday/Sunday or static Saturday/Sunday work schedules.

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With the understanding that Monday through Friday SDOs will be distributed in approximately equal proportions at the region level, the voting group will consist of Field Technicians, Energy Technicians Residential and Energy Technician Residential Apprentices. The Union must provide the Company notification of the voting results by (TBD).

Beginning in 2006 and once annually in subsequent years for the life of the Agreement, employees at a district/work location may collectively choose to change to static or non-static Saturday/Sunday work schedules, with the understanding that Monday through Friday SDOs will be distributed in approximately equal proportions at the region level. The Union must provide the Company notification of any request to change to static or non-static Saturday/Sunday by May 30th. The voting method and voting group will be the same as described above. Any changes resulting from the vote will become effective during the month of August.

The Company will maximize the number of Field Technicians (FTs) and Energy Technician Residential Apprentices working on Saturdays in order to create additional Monday through Friday schedules for Energy Technician Residents.

The Customer Service Field subcommittee will continue to work together to finalize the details needed to implement the schedule changes, including but not limited to the following:

- Transition Plan
- Vacation Scheduling
- Bumping periods
- District opt-in/opt-out procedures
- Changes in region staffing levels

All finalized details will be reached by mutual agreement within the Customer Service Field subcommittee. Failure to reach such agreement will result in referral to the Company and Union bargaining committee.

S. J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

202

LETTER AGREEMENT

Re: Energy Technician Residential Apprenticeship (ETRA) Side Letter Agreement

The Company and the Union agree to the following:

Effective with the signing of this Agreement, the Company will establish the Energy Technician Residential Apprenticeship (ETRA) position as a pass through apprenticeship to the Energy Technician Residential (ETR) job classification. The position will be in effect for the duration of the Agreement. No employee will hold the Energy Technician Residential Apprenticeship position indefinitely.

Employees hired or bidding into the Energy Technician Residential Apprenticeship position will be required to complete the Energy Technician Residential apprenticeship and advance to the Energy Technician Residential classification. The employee must have demonstrated satisfactory performance in the Energy Technician Apprenticeship position for a minimum of one year in order to advance. Upon completion of Energy Technician Residential training, employees will be required to work at their same work location for a minimum of one year.

Regular employees bidding into the Energy Technician Residential Apprenticeship position will have their 50-day return rights commence after successfully completing Energy Technician Residential Apprenticeship training. Internal bidders who do not pass Energy Technician Residential training the first time will receive on the job training at the district and will be provided a second opportunity to complete the Energy Technician Residential training after a minimum waiting period of six months (based on training availability). Employees will have the opportunity to bid during the six-month waiting period. The additional training given at the district will include field rides with Field instructors, policy and procedure review, observation rides with supervisors, and training rides with experienced employees (ETRs, CSTs, STs) as appropriate. Failure to successfully complete the second training class will result in the following:

1. The Company will identify district work locations where FSA jobs are available.
2. Affected employees may select an open FSA job of their choice.
3. If the employee opts not to select an open FSA job, the company will place the employee at one of the FSA job openings.

External hires/Part-time employees who do not pass Energy Technician Residential training the first time will receive on the job training at the district and will be provided a second opportunity to complete the Energy Technician Residential training after a minimum waiting period of six months (based on training availability). Employees will have the opportunity to bid during the six-month period. The additional training provided at the district will be the same as described above.

Former part-time employees who do not pass the second training will be offered the opportunity to return to their former part-time position. External hires must successfully complete the second training class to maintain employment.

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LETTER AGREEMENT

Re: Existing Field Technicians (FTs) Side Letter Agreement

The Company and the Union agree to the following:

Effective with the signing of this Agreement, all existing Field Technicians (FTs) who have a minimum of one year in classification and have performed satisfactorily as a Field Technician will be provided the opportunity to promote to Energy Technician Residential (ETR) at their current work location(s). This opportunity is available to all qualified Field Technicians (as described above) working in Customer Services field positions as of the effective date of this agreement. Once qualified for this opportunity, employees will have 30 days to exercise this option at which time the opportunity will expire. Existing Field Technicians who choose not to promote may be required to work Saturdays on either a static or rotating basis, depending on the outcome of the vote (see "Customer Services Field" side letter).

Any Field Technician not qualifying to promote to Energy Technician Residential upon the signing of this agreement will be provided the same opportunity to promote to Energy Technician Residential when the employee meets the qualifications described above. Once qualified for this opportunity, employees will have 30 days to exercise this option at which time this opportunity will expire.

Field Technicians who have not had Energy Technician Residential training will be placed at the second six-month step of pay grade 5 upon successful completion of ETR training. Field Technicians who have already completed Energy Technician Residential training will be placed at the second six-month step of pay grade 5 upon the effective date of their promotion. If a Field Technician is already at a higher step in the pay grade progression because of time-in-grade while performing Energy Technician Residential work, the employee will be moved to the appropriate step in the pay grade.

Field Technicians promoting to Energy Technician Residential under this agreement will be required to work at the same work location for a minimum of one year after the effective date of the promotion. Field Technicians who do not pass Energy Technician Residential training the first time will be provided additional training at the district and a second opportunity to successfully complete Energy Technician Residential training after a minimum waiting period of six months (based on training availability). The additional training given at the district will include field rides with Field instructors, policy and procedure review, observation rides with supervisors, and training rides with experienced employees (ETRs, CSTs, STs) as appropriate.

This agreement does not apply to any Field Technician in System Protection or on any other agreement entered into between an individual employee and the parties (the Union and the Company).

S.J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

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Wages for the Energy Technician Residential Apprenticeship

1. Regular employee bidding pay grade 3 or lower: Enter at first six months time-in-grade of pay grade 4.
2. Regular employee bidding already at pay grade 4: Enter at current time-in-grade step.
3. External hires will enter at the starting step of pay grade 4.
4. Upon successful completion of Energy Technician Residential training, will move to the first six months step of pay grade 5.
5. Other pay scenarios not covered in items 1 through 4 above will be governed by the Agreement.

Minimum Qualifications for Energy Technician Residential Apprenticeship

Must have a valid California driver's license. Must pass a pre-employment drug test if a new hire or moving from a non-safety sensitive job. All incumbents are subject to participation in the Company's random drug testing program. Must pass physical abilities testing. Must have basic computer and customer contact skills. Must pass a pre-qualification examination.

The following footnote will be added to Appendix B:

For the duration of this Agreement, the Energy Technician Residential classification will be filled through the Energy Technician Apprenticeship program only (see Energy Technician Residential Apprenticeship side letter).

The Company and Union agree to assess the terms and conditions of this side letter at the end of the term of this Agreement. At the time of that assessment, this side letter may be extended, modified or terminated by negotiations for a new collective bargaining agreement.

S.J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

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LETTER AGREEMENT

Re: Online Job Posting and Bidding Side Letter

The Company and the Union agree to establish an online Job Posting and Bidding System. Represented job openings will be posted online for a period of three (3) full working days (Thursday through Monday). The Union will be notified of represented job openings the first day the jobs are posted online. Employees will be able to submit bids online for represented jobs. At the conclusion of the three day posting period, the specific bid deck to the posted job will be frozen. Qualified Bidders will be considered in priority/tenure order until all bidders on the frozen bid deck have been exhausted. If the frozen bid deck is exhausted, the union will be notified. Any qualified bidders on the active bid deck will be considered prior to the job being filled externally. If the active bid deck is exhausted, the union will be notified. Job re information will be posted online and provided to the Union. Unless otherwise noted or negotiated, there will be no impact to Section 5.10 of the Agreement.

Due to required system upgrades, implementation of both Online Bidding and Online Posting is deferred for no later than the first quarter of 2006.

The Posting/Bidding subcommittee will continue to work together as needed to finalize the details required for implementation, including but not limited to:

- Transition Plan
- Time Frames
- Appropriate Design or Notifications
- System Accessibility
- System Capabilities (Real Time, Internet vs. Intranet, etc.)

All finalized details will be reached by mutual agreement within the Bidding Subcommittee. Failure to reach such agreement will result in referral to the Company and Union Bargaining Committee.

S.J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

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LETTER AGREEMENT

Re: Position Opportunity and Placement

The Company and the Union agree to the following regarding U-71:

1. The Company will provide a five-day "Courtesy Posting" for full-time regular positions, if no bids exist, before resorting to outside hiring.

2. The Company will provide improved study guides to assist employees in preparing for the pre-qualification exams.

3. The following job families will be placed in the Bid Book:

- Mapping & Planning
- Technician Specialist
- Administrative
- Mechanical
- Division
- Pipeline/Construction
- Clerical
- Customer Contact
- Meter Reading
- Warehouse
- Misc. Clerical

The four (4) batteries with its associated job families are:

1. Red Battery - (Mapping & Planning and Technician Specialist)

2. Green Battery - (Administrative)

3. Blue Battery - (Mechanical, Station, Pipeline/Construction)

4. Yellow Battery - (Clerical, Customer Contact, Meter Reading, Warehouse and Misc. Clerical)

S. J. Bosworth
For the Company
07/01/05

Marta Rodriguez-Harris
For the Union
07/01/05

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PRINCIPAL CHANGES FROM THE PREVIOUS AGREEMENT

January 1, 2005

Section 2.2 (A)	Recognition: Revise section to remove language that incumbents in the general and accounting clerical positions shall be excluded from the bargaining unit as long as they remain in those positions.
Section 2.2 (C)	Union Security: Revise the section to modify language when union dues shall be collected - for newly prospective hires, change from six months to 30 days and for employees moving into a job classification represented by a union, from 90 days to 30 days.
Section 2.2 (D)	Union Activity: Revise the section to modify when union representatives must provide notice of violations to Company property. Add language that states that such violations shall not be used for official union meetings.
Section 2.4 (A)	New term of Agreement effective January 1, 2005 through September 30, 2008.
Section 2.5 (E)	Shop Committees: Revise section to reflect current shop committee structures.
Section 3.3 (4)	Determination of Seniority: Revise language to clarify the method used to determine seniority in the event the employees are hired on the same date - random numbers will be assigned at the time of hire.
Section 4.1 (A)	Base Wages: Revise section to reflect hourly pay rates as set forth in Appendix A - January 1, 2005, through June 30, 2005; July 1, 2005 through June 30, 2006; July 1, 2006 through June 30, 2007; July 1, 2007 through September 30, 2008.
Section 4.1 (B)	Pay Days: Revise section to eliminate the vacation advance provisions.
Section 4.1 (C)	Less Than Satisfactory Employees: Revise section to clarify when an employee rated LTS overall for job performance will be eligible for a general wage and/or step-in-progress increase.

Section 4.2 (E)	Overtime Meal Allowance: Revise section to increase meal allowance to \$13.50.
Section 4.2 (G) #	Consecutive Day Rule: Revise section to change when an employee will be paid double time. Employees will be paid double time on the seventh consecutive day worked and all succeeding scheduled days off without a full day off.
Section 4.3 (A)	Premiums: Revise section to provide increase of all premium rates with the exception of those specifically addressed in Sections 4.3(C), 4.3(D), and 4.3(E) by 2.25% effective 1/1/05. Effective 7/1/05, all premium rates will increase by 2.25%, effective 7/1/06 by 3.5%, effective 7/1/07 by 3.75%.
Section 4.3 (C)	Split Days Off: Revise language to increase the special split premium (Tuesday, Wednesday, or Thursday off or two scheduled half-days off) to \$1.15 per hour effective 1/1/05.
Section 4.3 (D)	Sunday Work: Revise section to increase premium by 10% effective 1/1/05. Increase premium by the same percentage as the general wage increase beginning in the second year and thereafter for the duration of the contract.
Section 4.3 (E)	On-Call Pay: Revise section to increase premium by 10% effective 1/1/05. Increase premium by the same percentage as the general wage increase beginning in the second year and thereafter for the duration of the contract.
Section 4.4 (A) IV	Buy or Sell Vacation Policy: Revise language to reflect that any purchased vacation, not used or pre-deposited by the last period of any given year, be paid out in the last paycheck of the year.
Section 4.4 (D)(8)	Family Care Leave: Revise section to add language for employees exercising their right to California Paid Family Leave (PFL) may choose to use available vacation during the initial one (1) week waiting period.

Section 4.4 (G)(2)	Personal Emergencies: Revise language to include the immediate family of the domestic partner.
Section 4.5 (A)	Special Provision/Uniforms: Revise section to classifications being furnished uniforms.
Section 4.5 (B)	Special Provision/Coveralls: Revise section to classifications being furnished coveralls.
Section 4.5 (C)	Special Provision/Jackets: Revise section to classifications being furnished jackets.
Section 4.5 (D)	Special Provision/Footwear: Revise section to increase boot allowance to \$85.00.
Section 5.8	Temporary Relief Assignments: Revise section to include language that all temporary assignments to management will cease to accrue bargaining unit seniority, while on such assignments, if the assignment lasts more than 18 cumulative months in a 2 1/2 year period.
Section 5.10 (A)	Prescreening for Employees: Revise section to modify the language to allow employees who have successfully completed a pre-qualifying exam and/or skills test to be pre-qualified for all jobs within the job family.
Section 5.10 (B) 3	Bid: Revise section to reduce bid restrictions for employees who are accepted for a job requiring greater technical knowledge and skill from three to two years.
Section 5.10 (C) 2	Pay for Time Required for Job Interviews and Pre-qualification Examinations: Revise section to increase the number of hours for testing from twelve to sixteen.
Section 5.10 (D)	Acknowledgment and Validity of Job Requests: Revise section to change timeframe from 18 months to 24 months for bids to remain active.
Section 5.10 (F)	Training and Proficiency: Revise section to include language when a training course is not available and/or completed within 90 days from the job acceptance date, the new rate of pay will begin on the 91st day.

2-1-09
12:05 AM

**Tentative Agreement
January 31, 2009**

After seven months of bargaining, and concessions by both parties, the Company and the Union agree to the following:

1. Wages

- a. **General Wage Increase** – Wages will be increased by 3.5%, retroactive to 10/1/08. On 10/1/09, base wages will be increased by 3.5% and, on 10/1/10, base wages will be increased by 3.5%, for a total increase of 10.5% over the contract term of two years and eight months.

Meter Reader wages will be increased in accordance with the negotiated general wage increase.

b. Premiums

- Premiums will be increased by the same percentage as each GWI, retroactive to October 1, 2008, for the duration of the contract (U-31 dated 7/9/08, accepted 9/9/08).
- Upon contract ratification, retroactive to October 1, 2008, the Company will increase on-call premiums by a one-time 3% over and above the 10/1/08 GWI percentage.
- Employees who are required to maintain a Class A or B driver's license (excluding Transportation Logistics Representatives) will receive a premium of \$0.25 per hour in addition to their hourly rate. (Company counter regarding U-40) See attached letter agreement

2. Other Allowances

- a. The existing footwear allowance will be extended to 18 additional classifications, including the following (Company counter regarding U-51 dated 8/26/08, accepted 8/27/08):

Facilities Helper Facilities Mechanic Lead Facilities Mechanic Fleet Tech Lead Fleet Tech Fleet Assistant	Fabrication Shop Mechanic #1 Journey Welder Lead Lab Tech Lead Machinist Lab Assistant Lab Tech Journey Machinist	Journey Sheet Metal Mechanic Lead Repair Shop Mechanic Repair Shop Mechanic #1 System Protection Planner Energy Technician – Residential
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- b. Upon contract ratification, the travel per diem will be increased from \$30 to \$39 per day, retroactive to October 1, 2008 (Company counter to U-83F dated 8/26/08, accepted 8/27/08; modified date to reflect timing of ratification.)
3. **Split Days Off** – Over the next four open selection periods, beginning with the second open selection period in 2009, Customer Service Field will reduce split days off by at least 50% compared to 2007 system levels.

4. **Medical, Dental and Vision Benefit Enhancements for Part-Time Employees**

- a. **Medical** - Effective the first day of the month following ratification, medical benefits (the low-cost HMO, for employee only) will be accelerated for part-time employees; employees will be eligible after one calendar year of service (rolling 12 months) as opposed to the current two years (Company counter regarding C-94 dated 8/26/08, accepted 8/27/08; modified effective date to reflect timing of ratification).
- b. **Dental** - Effective the first day of the month following ratification, the SafeGuard dental benefit will be extended to part-time employees (employee only); employees will be eligible after one calendar year of service (rolling 12 months) (Company counter regarding C-94 dated 8/26/08, accepted 8/27/08; modified effective date to reflect timing of ratification)
- c. **Vision** - Effective the first day of the month following ratification), the SafeGuard vision benefit will be extended to part-time employees (employee only); employees will be eligible after one calendar year of service (rolling 12 months) (Company counter regarding C-94 dated 8/26/08, accepted 8/27/08; modified effective date to reflect timing of ratification)

Note: Part-time employees who waive all three benefits (i.e., medical, dental and vision) will receive a stipend of \$100/month.

5. **Dental and Vision Benefit Enhancements for Full-Time Employees**

- a. **Dental** - Effective the first day of the month following ratification, the Delta Dental plan annual maximum benefit will be increased from \$1,000 to \$1,500, and the maximum orthodontic benefit will be increased from \$500 to \$1,000. In addition, employee monthly costs will be fixed at the following amounts for the term of the agreement (Company counter regarding U-98 dated 8/26/08, accepted 8/27/08; modified effective date to reflect timing of ratification):

Employee Only:	\$12.50
Employee + 1:	\$25.00
Employee + 2:	\$50.00

- b. **Vision** - Effective the first day of the month following ratification, coverage for the cost of frames under the VSP and SafeGuard vision plans will be increased as follows (Company counter regarding U-99 dated 8/26/08, accepted 8/27/08; modified effective date to reflect timing of ratification):

VSP: After deductible, plan pays 100% for frames having wholesale cost up to \$100. Employee pays wholesale cost over \$100.	SafeGuard: Plan pays 100% up to \$100. Employee pays 75% of retail cost over \$100.
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6. **Medical Cost Sharing** – Effective the first day of the month following ratification, the current cost sharing structure for the low-cost HMO option will change from 90%/10% to 85%/15%, where the Company pays 85% of the total premium, and the employee pays 15% of the total premium. Cost sharing for all other HMOs will remain based on the low-cost HMO, whereby

the employee pays the difference in the premium between the low-cost HMO and the selected HMO. In addition, effective the first day of the month following ratification, the emergency room co-pay will be increased from \$25 to \$50. Office co-pays will remain unchanged (Company counter regarding C-94 dated 8/26/08, accepted 8/27/08; modified effective dates to reflect timing of ratification).

7. Pension Plan

- ~~a. Effective the first day of the month following ratification, the current, traditional Pension Plan for existing employees, will be enhanced as follows:~~
- ~~• The percentage of final average earnings will be increased by 0.25% per year for service years greater than 30 but less than or equal to 35;~~
 - ~~• Vesting time will be accelerated from 5 years to 3 years; and~~
 - ~~• The surviving spouse benefit will be increased, i.e., the pre-retirement death benefit for married participants will be modified to provide the full amount that the participant would have received had they commenced payment of the benefit on the day before they died.~~
- ~~b. A Cash Balance Plan will be established for all new part-time and full-time hires (i.e., employees who are hired on or after the date of ratification). The Company will credit the employee's account at a rate of 7.5% of the employee's base pay each month, as well as pay interest on the account.~~
- ~~a. Also, management and associate employees who move to represented positions will not be converted to the traditional pension formula; they will retain their cash balance account and remain in the Cash Balance Plan.~~
- ~~b. The contingent annuitant option allows you to name anyone as a joint annuitant if you select any of the annuity options upon distribution the beneficiary of your pension benefit. It works the same way as a joint and survivor annuity by providing a percentage of your benefit amount as a lifetime income to your joint annuitant beneficiary following your death after retirement. The main difference is that the annuitant you name can be someone other than a your spouse. When you retire, you choose the percentage of benefit your annuitant is eligible to receive (33 1/3%, 50%, 75% or 100%). During your lifetime, you will receive an actuarially reduced benefit based upon your date of birth and the date of birth of your joint annuitant. Upon your death, your annuitant will receive a percentage of the amount you were receiving, based on your retirement election. If you are married and choose the contingent annuitant option, your spouse must sign your election form waiving rights to the survivor benefits. Your spouse's signature must be notarized or witnessed by a plan representative. (Excerpt from page 17 of the Summary Plan Description)~~

8. 401K Savings Plan Enhancements

- a. Effective 5/1/09, the 401K deferral limit will be increased from 25% to 50%.
- b. To facilitate employees saving for retirement, in addition to the current auto enrollment program, the Company may implement an auto increase feature whereby new employees could automatically have their pre-tax contribution percentage increased by 1% per year, to a maximum of 6%, so that these employees receive the maximum Company matching

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contribution. Consistent with the current auto enrollment program, employees would be able to opt out of the auto escalation feature.

9. **Restructure the Current Sickness Allowance Benefit**

- a. Beginning 1/1/09, restructure the current sickness allowance benefit as outlined below. The key changes are that employees will be able to carry over all unused current, extended and bonus sick time from 2009, receive new annual sick time allowances beginning in 2010, and be able to carry over an unlimited amount of unused sick time from year to year.
 - Short-term Annual Accrued Sickness Allowance will be modified to provide five days of sickness allowance for employees with more than six months and less than a year of active service, and ten days for employees with one year or more of active service. Increasing the Short-term Annual Accrued Sickness Allowance for employees with one year of service but less than two years (to two weeks) affords more sick time than is currently available to these employees.
 - Active employees, regardless of sick time previously used, will receive a transition allotment of their Extended-term Paid Sickness Leave based on sick time that would otherwise be afforded in 2009. For example, employees with more than ten years of service will receive seven weeks in their starting Extended-term Paid Sickness Leave bucket plus their two weeks of Short-term Annual Accrued Sickness Allowance, for a total of nine weeks.
 - The 2009 transition allotment of Extended-term Sickness Allowance will include Bonus Sick if an employee is eligible.
 - At the end of each calendar year, employees will be able to carry over all unused Extended-term Paid Sickness Leave, including any unused 2009 transition-year allotments, and the amount that can be carried over each year will be unlimited. In addition, any unused Short-term Accrued Sickness Allowance will be transferred to the Extended-term Paid Sickness leave bucket. With the unlimited carry over feature, employees will be able to accumulate far more sickness leave than they have available today, at a faster rate.
 - Because long-service employees will not have as much time as short-term employees to accumulate a lot of unused sick leave, employees with 20 or more years of service, as of 1/1/09, will receive two weeks of Short-term Annual Accrued Sickness Allowance, plus one week of Extended-term Sickness Leave, for a total of three weeks, beginning 1/1/10 and annually thereafter.
 - To address Union concerns about rare instances in which an employee may exhaust his or her sick time in one year and then incur a catastrophic illness or injury in the following year, the Company will provide an **annual** catastrophic sickness allowance, as outlined in the attached proposal.
 - Employees will be able to use their Short-term Annual Accrued Sickness Allowance for their own medical and dental appointments, **without it counting as an occurrence**.
 - The same-calendar-year restriction for the State Disability Insurance (SDI) bucket will be removed, providing employees with greater flexibility in the use of their SDI bucket.

- Employees on long-term disability as of 1/1/09, and who return from disability after 1/1/09 and beyond, will receive the same one-time allotment of Extended-term Paid Sickness Leave. Upon returning to full-time work for 180 days, this allotment can be used for unrelated disabilities within the 180 days of returning to work and for any disability after 180 days. The one-time allotment will be based on the amount of **Extended-term Paid Sickness Leave** ~~sick time~~ the employee would have been afforded in 2009 had they been at work.
 - The Company will establish an employee recognition program for full time employees with good attendance. Employees who have perfect attendance for a full calendar year will receive a \$100 gift card. Employees who are absent three days or less during a calendar year will receive a \$50 gift card.
10. **Establish Health Reimbursement Accounts at Retirement to Enable Employees to: (a) Benefit from Unused Sick Time, (b) Leverage Pre-Tax Advantage and (c) Offset Retiree Medical Costs.**
- a. The post-retirement medical benefit structure will continue.
 - b. At the Company's expense, the Company will establish a Health Reimbursement Account (HRA), at the date of retirement, for all regular, full-time employees retiring on or after 12/1/09. The opening balance of the account will be determined based on the aggregate value of the following components:
 - The aggregate value of a percentage of the employee's total unused Sickness Allowance (including Extended-term Paid Sickness Leave, Short-term Annual Accrued Sickness Allowance and Bonus Sick time) at the date of retirement, based on the employee's straight-time wage rate at the date of retirement. The percentage of unused Sickness Allowance to be credited to the employee's HRA will be based on years of service as of January 1, 2009, as follows:
 - 40+ years (30%)
 - 30 – 39 years (25%)
 - 20 – 29 years (20%)
 - Less than 20 years (10%)
 - 100% of all unused vacation at the date of retirement, based on the employee's straight-time wage rate at the date of retirement. There will no longer be any cash payouts for unused vacation at the date of retirement. The value of unused vacation payouts at retirement is currently taxed, whereas there will be no tax withholding when converted to the HRA.
 - c. Consistent with IRS regulations, the HRA may be used by retirees for reimbursement of health-related expenses, such as retiree share of premiums, health plan co-payments and other out-of-pocket, health-related expenses as permitted by IRS regulations and guidelines.
 - d. The balance of the employee's HRA will earn interest at the 30-year Treasury Bond rate (paid by the Company), based on the November average of the preceding year, as the rate changes from year to year.

- e. Employees will only be required to exhaust their current sick time and 50% of their extended sick time before moving to the LTD plan. Employees who want to exhaust more than 50% of their accumulated Extended-Term Sickness Allowance will need to notify the Company. The Company will notify the employee of this option when they approach the 50% threshold.

11. **Changes to Long-Term Disability (LTD) Plan**

- a. ~~The Long-Term Disability Plan will be accessible to employees sooner than it is today, i.e., the waiting period will be shortened from 60 days to 28 days, beginning 1/1/10, paid for by the Company.~~
 - b. For employees who become eligible for the Long-Term Disability Plan on or after 1/1/10, the benefit will be increased from 60% to 65%, for the first year of disability benefits, for employees who have 25 or more years of service, and from 60% to 70%, for the first year of disability benefits, for employees who have 30 or more years of service. This modification does not apply to employees who are already on the disability payroll.
 - c. Effective ~~2/1/09~~ **the first of the month following ratification**, employees who have been offered a job more than 50 miles (versus 75 miles) from their last work location may elect termination wages equal to one week of pay for each year of service up to 25 weeks (versus 20 weeks) in lieu of accepting the job, as proposed in U-66.
 - d. The Union accepts C-89, excluding the portion of the proposal pertaining to social security overpayments, as well as the portion regarding job displacement vouchers (i.e., the proposed Disability Plan strikethrough language in Item C under Vocational Rehabilitation regarding terminating disability benefits one year from reimbursement of vocational rehabilitation tuition or other related expense under the provisions of the supplement job displacement voucher).
12. **Use of Contractors** – Two classifications will be added to the “fenced-in” list: System Protection Planner and System Protection Technician (Company counter regarding U-4)
13. **New Positions** – Two new positions will be created: Senior Cathodic Protection Specialist and Cathodic Protection Technician. Pipeline Technicians will have bid priority to the CP Technician position. The first two Senior CP Specialist positions will be filled from within Transmission (Union counter to C-59A, accepted 8/12/08)
14. **Position Opportunity System** (Company counter regarding U-40, U-58 and C-59B dated 9/2/08; modified date for real time bidding due to timing of ratification).
- a. A real-time bidding process will be implemented by October 31, 2009. Should system programming, development or testing cause unforeseen delay, the Company will keep the Union fully informed. The current pre-qualification process will remain as is.
 - b. The Company will post the name and seniority date of the employee who is the successful bidder within 5 days.

- c. Employee test results will be posted online so that employees may access their own results.
 - d. The Union and the Company will encourage employees to cancel test sessions within 5 business days if they are not able to attend.
 - e. Employees will be required to submit bids for promotional opportunities until a real-time bidding process is established. While employees are not restricted for promotional opportunities at the work location after accepting a job, bids will no longer remain active, and employees will be required to re-submit bids for promotion.
15. **Temporary Relief Assignments** - Provisions regarding temporary relief assignments will be modified to address Union concerns (Company counter regarding U-57 dated 8/27/08, accepted 8/27/08)
16. **ETRs**
- a. Beginning with the second open schedule selection process in 2009, for bases that have at least 24 ETRs, the most senior employee will be allowed to be excluded from off-hour shifts or night work assignments (Company counter to U-82D, accepted 8/27/08; modified effective date to reflect timing of ratification)
 - b. The Company will pilot 4-10 hour shifts among the ETR classification, with one pilot base per region, for one year. If the pilot is deemed by the Company to be successful, it may be expanded (Company counter to U-82B).
 - c. The Energy Technician Residential Apprentice (ETR-A) letter agreement on pages 203-204 of the agreement will be eliminated, and the Company will revert back to the pre-2005 progression, including Field Service Assistant, Field Technician and Energy Technician-Residential. Existing ETR-As will continue to progress to ETR, pursuant to a new letter agreement that will be added to the contract (Company counter to U-18 dated and accepted on 9/25/08).
17. **Overtime** – The Company will continue to work toward reducing mandatory overtime on a best efforts basis.
18. **Administrative Support Positions** – All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions (Company counter regarding U-76 dated 9/19/08, accepted 9/24/08)
19. **Transmission and Storage Specialists** – Employees in Specialist positions within Transmission and Storage will have progression bid rights when bidding to the same job title in either transmission and/or Storage (C-77, accepted 9/3/08)
20. **Roving Main Gangs** – A subcommittee will be formed (three union and three management employees) to explore adding more roving main gangs. (Company counter regarding U-83G dated 7/30/08)
21. **Local Hiring** - To address Union concerns about the local hiring provision contained in the tentative agreement, the parties agree to postpone discussions about external hiring until the Company and Union begin separate AMI discussions.

22. PAQ (Company counter regarding C-86 and U-114)

The Union and the Company agree to conduct the following job evaluations under the proposed, revised job evaluation process for the following classifications:

- District Operations Clerk-4
- Gas Measurement Analyst-5

The parties will develop a mutually acceptable kickoff process before beginning the PAQs.

Note: See attached letter agreement

23. Union Dues – Effective 4/1/09, part-time employees will begin paying dues after 520 hours of cumulative employment (Company counter to U-83A dated 7/31/08, accepted 9/18/08; modified implementation date due to timing of ratification)

24. Union Business

- a. Union leaves of absence will be expanded to include conferences (Company counter to U-6 dated 8/12/08, accepted 8/12/08)
- b. Requests for Union leaves of absence may be submitted electronically, at any time, provided they are properly completed and Labor Relations has 48 hours (two business days) to process (Company counter to U-6, accepted 8/12/08)
- c. The ten-day cap on Union leaves of absence for administrative work will be eliminated during contract negotiations, when mutually agreed to (Company counter to U-6, accepted 8/12/08)
- d. The Union will provide the Company with 48 hours notice for requested absences for union business, as well as minimize the number of employees on leave from the same work group/department so as not to unduly burden the operations of a location (C-7 dated 6/24/08, accepted 8/12/08)
- e. The Union will provide 48-hours notice prior to the beginning of a requested absence for Union activity at a Company property (C-9 dated 6/24, accepted 8/12/08)
- f. The Union will review and update their existing Dues Authorization forms to ensure legal compliance by 4/1/09 (C-8 dated 9/9/08, accepted 9/9/08; modified completion date due to timing of ratification)

25. Emergency Postponement of Lunch Periods – Replace existing, outdated language indicating the Company will comply with applicable federal and state laws (C-30 dated 6/16/08, accepted 8/27/08).

26. Vacation (Company counter regarding U-35/C-36 dated 9/23/08)

- a. Revise language to change “convenience of the company” to “operating necessity as determined by the Company”
- b. Clarify that sold vacation less than 40 hours is paid in one lump sum
- c. Clarify that employees who sell 40 hours of vacation will have the option of receiving the payment in a lump sum or over 24 pay periods.

- d. The Company will increase holiday vacation slots in the CCC (for Christmas and New Years), for the term of this agreement, for classifications that have more than 25 incumbents, as noted in the table below. The regular and bi-lingual slots will be kept separate, with one additional slot afforded to each. These additional vacation slots will be communicated to employees through the local shop committees.

Classification	Site	Current Vacation Slots 2008		Revised Vacation Slots 2009 - 2010	
		Monday - Friday		Monday - Friday	
		Christmas	New Year	Christmas	New Year
CSR 4	San Dimas >25	18	20		
CSR Lead	San Dimas >25	4	4	20	22
CSR 4	Redlands >25	10	8	5	5
CSR Lead	Redlands <25	3	2	12	10
Multilingual CSRs	San Dimas <25	1	1	3	2
OBD/Correspondence	San Dimas <25	1	1	1	1
Clerical	San Dimas <25	1	1	1	1
Clerical	Redlands <25	1	1	1	1
				1	1

- e. In addition to the CCC, one additional holiday vacation slot (for Thanksgiving, Christmas and New Years) will be added at each base for Distribution Field for the term of this agreement. This change will be communicated through the local shop committee.

27. **Use of Personal Vehicles for Company Business** - Add language clarifying that the Company will use the IRS standard mileage rate to reimburse employees for Company business miles Company counter regarding U-48, accepted 9/24/08).
28. **Coveralls** - Coveralls will be provided to three additional classifications: Lab Assistant, Lab Technician and Lead Lab Technician (U-49, accepted 8/27/08).
29. **Military Service**
- The Veteran's Seniority Credit will be extended to employees who served in active duty in the U.S. Armed Forces or National Guard in the Afghanistan/Iraq conflicts which resulted from the events of September 11, 2001 (U-17, accepted 8/12/08)
 - A new letter agreement will be added to the contract outlining military leave of absence benefits afforded to full-time employees called to serve in the Afghanistan/Iraq conflicts (U-17, accepted 8/12/08)
 - Military leave of absence provisions afforded to part-time employees will be added to the part-time employee letter agreement on page 195 of the agreement (Company counter to U-17, accepted 8/12/08)
30. **Alternative Dispute Resolution** - A new letter agreement will be added to the contract outlining changes to the ADR process, e.g., in cases where ADR is being used for discipline, and the Company contemplates discipline greater than two days off, the Local union

president or their designee must approve the ADR resolution (Union counter regarding U-71 dated 8/26/08, accepted 8/27/08).

31. **Arbitration** – The arbitrator panel will be expanded, and if a selected arbitrator is not available within six months, the parties may mutually agree to use the very next arbitrator on the list if available within six months (Company counter regarding U-72 dated 8/12/09, accepted 8/28/08).
32. **Training** – The Western States Utility Workers Industry Apprenticeship and Training Trust Fund or the ICWUC Center for Worker Health and Safety Education may provide training to employees without regard to Union affiliation. To the extent such training is proposed to be conducted on Company time/premises, such opportunities require advance discussion with the Company and Company consent (Company counter to U-64, accepted 8/27/08)
33. **Collaboration Opportunities** - A new letter agreement will be added to Appendix C regarding Union and Company collaboration opportunities, including safety and training (see attached letter agreement regarding U-62 and U-63).
34. **New Technology** – A new letter agreement will be added to Appendix C regarding new technology (see attached letter agreement regarding U-20).
35. **The Union agrees to the following amended and restated Plan documents:**
 - a. Pension Plan (Appendix D) as set forth in C-107
 - b. Retirement Savings Plan (Appendix E), as set forth in C-108
 - c. Medical, Dental and Vision Plan (Appendix F), as set forth in C-109 (accepted 8/27/08);
 - d. Disability Plan (Appendix G), as set forth in C-107
 - e. Life Insurance Plan (Appendix H) as set forth in C-107

Note: The Plan documents will be updated to reflect modifications resulting from these negotiations, along with the letters of intent on administrative changes.

36. **The parties agree to remove the following letter agreements from the contract:**
 - a. The Energy Technician Distribution letter agreement on page 194, as it is no longer applicable (U-83E, accepted 7/29/08)
 - b. The letter agreement on page 199 regarding direct deposit of reimbursable expenses, as this has already been implemented (accepted 9/25/08)
 - c. The letter agreement on page 205 regarding Field Technicians, as it is no longer applicable (accepted 9/25/08)
 - d. The letter agreement on page 206, as implementation of an on-line bidding system has been completed (accepted 9/25/08)

37. Other Housekeeping Items

- a. The current index in the agreement will be replaced with a more user-friendly version, making it easier to look up and find topics in the agreement (C-110, accepted 8/12/08)
- b. Appendix A will be updated to reflect current job titles and placement (C-113, accepted 9/24/08)
- c. Appendix B will be updated to reflect current job titles and levels (Revised C-111, accepted 9/24/08)

38. **Term of Agreement** - The term of the agreement will be from February 1, 2009 to and including September 30, 2011 (U-12, accepted 9/3/08; modified date due to contract extension)
39. **The Company and the Union have withdrawn the following proposals:**
- The portion of C-8 regarding electronic dues authorization (withdrawn 9/9/08)
 - C-13 (withdrawn 7/29/08)
 - C-15 (withdrawn 8/12/08)
 - C-19 (withdrawn 9/25/08)
 - C-22 (withdrawn 7/29/08)
 - C-24 (withdrawn 8/12/08)
 - C-27 (withdrawn 9/9/08)
 - C-29 (withdrawn 8/27/08)
 - C-34 (withdrawn 7/10/08)
 - C-79 (withdrawn 9/9/08)
 - C-80 (withdrawn 9/24/08)
 - C-85 (withdrawn 9/9/08)
 - The portion of C-94 pertaining to increasing medical office co-pays (withdrawn 8/27/08)
 - The portions of C-112 pertaining to new hire notification and POS (withdrawn 9/25/08)
 - C-115 (withdrawn 7/16/08)
 - C-116 (withdrawn 7/15/08)
 - C-117 (withdrawn 7/10/08)
 - C-118 (withdrawn 7/29/08)
 - C-119 (withdrawn 7/10/08)
 - U-1 (withdrawn 9/3/08)
 - U-2 (withdrawn 8/12/08)
 - U-10 (withdrawn 8/12/08)
 - U-11 (withdrawn 8/12/08)
 - U-16 (withdrawn 9/9/08)
 - U-18 (withdrawn 9/25/08)
 - U-25 (withdrawn 8/12/08)
 - U-26 (withdrawn 8/7/08)
 - U-28 (withdrawn 9/9/08)
 - U-32 (withdrawn 8/12/08)
 - U-33 (withdrawn 8/7/08)
 - U-38 (withdrawn 9/9/08)
 - U-44 (withdrawn 9/9/08)
 - U-50 (withdrawn 8/27/08)
 - U-52 (withdrawn 8/7/08)
 - U-53 (withdrawn 8/7/08)
 - U-55 (withdrawn 9/25/08)
 - U-56 (withdrawn 7/8/08)
 - U-60 (withdrawn 8/13/08)
 - U-67 (withdrawn 7/8/08)
 - U-68 (withdrawn 9/9/08)
 - U-69 (withdrawn 9/25/08)
 - U-74 (withdrawn 8/13/08)

- U-75 (withdrawn 9/24/08)
- The portion of U-76 regarding the Journey Facilities Mechanic (withdrawn 9/24/08)
- U-81 (withdrawn 9/24/08)
- U-82A (withdrawn 8/13/08)
- U-82C (withdrawn 7/16/08)
- U-82E (withdrawn 9/25/08)
- U-83B (withdrawn 7/16/08)
- U-83D (withdrawn 9/24/08)
- U-97 (withdrawn 8/6/08)
- U-101 (withdrawn 7/16/08)
- U-102 (withdrawn 7/16/08)
- U-103 (withdrawn 7/16/08)
- U-105 (withdrawn 7/16/08)

40. The Company and the Union agree to withdraw the following additional proposals:

- The portion of C-36 clarifying that management may schedule vacation for employees who fail to do so in order to remain under carryover limits
- C-78
- The portion of C-89 pertaining to social security overpayments, as well as one portion of the vocational rehabilitation proposal related to vouchers
- The portion of C-95 regarding the Company contribution toward premiums being fixed at \$600/\$300
- U-3
- U-5
- U-14
- U-23
- U-42
- U-43
- U-45
- U-46
- U-47
- U-54
- U-61
- U-70
- U-73
- U-83C
- U-91
- U-92
- U-100
- U-104
- U-106

LETTER AGREEMENT

Re: New Technology

In the spirit of cooperation and collaboration, the Company will inform the Union about new technology changes and other workplace changes that may affect the working conditions of bargaining unit employees, at a minimum those changes that are mandatory subjects of bargaining.

As it is doing with OpEx 20/20 and AMI, the Company will share information prior to implementation, as well as keep the Union abreast of new or revised plans as information becomes available. Such information may include, but not be limited to the following items, to the extent the information is available:

- A full description of the change, including its purpose, function and how it will fit into existing operations;
- Information regarding costs and benefits, to the extent such information is public;
- Implementation timetable;
- Number and types of jobs anticipated to be changed, added or eliminated by the change; and
- Expected changes in job content, skill requirements and training plans.

Depending on the nature of the information shared, the Union may be asked to sign a confidentiality agreement in order to protect the confidentiality of Company information.

To facilitate discussion and the sharing of information, the Company and Union will meet at mutually acceptable times. Project experts may be invited to participate in the discussions in order to provide firsthand information.

This letter agreement will remain in effect through the term of this agreement.

This letter agreement may be extended or modified by mutual consent during the next collective bargaining agreement negotiations.

Nothing in this letter agreement shall be interpreted to replace or diminish the Union's statutory right to bargain over any changes that may affect wages, hours and working conditions of bargaining unit employees.

Similarly, nothing in this letter agreement is intended to affect the Managements Rights provisions contained in the Collective Bargaining Agreement.

Sue Bosworth
For the Company
Date:

Louis Correa
For the Union
Date:

Company Counter Regarding U-62 and U-63
January 31, 2009

Letter Agreement

Re: Collaboration Opportunities

The Union and the Company both want to have a safe, skilled and productive workforce.
The Union and the Company agree to work collaboratively together to achieve these goals.

The parties agree that training plays an important role in achieving the above three goals. The Company welcomes the Union's input on training needs, training programs and other means of ensuring employees receive the necessary formal and on-the-job training for their respective classifications. The Company also welcomes the Union's input on the best course of action regarding re-training existing employees who may be affected by the implementation of new technology.

The Company and the Union will meet at mutually acceptable times (at least quarterly) to work collaboratively on the above items.

This letter agreement will remain in effect through the term of this agreement.

This letter agreement may be extended or modified by mutual consent during the next collective bargaining agreement negotiations.

Nothing in this letter agreement shall be interpreted to replace or diminish the Union's statutory right to bargain over any changes that may affect wages, hours and working conditions of bargaining unit employees.

Similarly, nothing in this letter agreement is intended to affect the Managements Rights provisions contained in the Collective Bargaining Agreement.

Sue Bosworth
For the Company
Date:

Louis Correa
For the Union
Date:

January 31, 2009

Replace the current PAQ letter agreement on page 196 of Appendix C with the following:

Job Evaluation Process
Side Letter Agreement

The Company and Union agree to the following:

1. No existing job can be lowered unless it falls at least 5 points below the bottom of its grade.
2. All PAQ results will be in whole numbers with .5 of a point rounded up.
3. Job Evaluation for purposes of evaluating levels, to be done only when
 - a. General Bargaining in progress.
 - b. Brand new classifications.
 - c. Mid-Term by mutual agreement when major changes take place in an existing classification.
4. All job evaluations to be completed within 12 months. All jobs, if any, that increase in level will be paid back to the time the PAQ process begins, for those sets of jobs being evaluated.
5. To ensure objectivity and accuracy, PAQ job evaluations will be conducted exclusively by an external third party consultant. The Company and the Union will not be involved in the process, nor will either side interfere with the process in order to influence the outcome.
6. The third party consultant will randomly select the job incumbents who will participate in the job evaluation process.
7. The Union and the Company will have an opportunity to review the consultant's preliminary results, before the results are finalized. At that time, either party may request additional analysis, at the requesting party's expense.
8. The Union and the Company agree to conduct the following job evaluations under the new job evaluation process for the following classifications:

District Operations Clerk-4
Gas Measurement Analyst-5

S.J. Bosworth
For the Company
Date:

Louis Correa
For the Union
Date:

January 31, 2009

Letter Agreement

Re: Class A/B Licenses

On a non-precedent setting basis, effective the first day of the month following ratification, the Company agrees to provide a premium of \$0.25 per hour for time worked to employees who are required to maintain a Class A or B driver's license (excluding Transportation Logistics Representatives).

Sue Bosworth
For the Company
Date:

Louis Correa
For the Union
Date:

Revised Sheet

2-1-09

1:32AM

Proposal to Address Union Concerns Regarding Catastrophic Illnesses/Injuries That Occur Two Years in a Row

Throughout the first round of negotiations, the Union expressed concerns about potential catastrophic illnesses/injuries that, in rare cases, may occur two years in a row, back-to-back, where an employee may use up all of his/her sick leave for the first incident and then have only two or three weeks of sick time available the second year, for the second catastrophic incident. While this sort of case would be a rare exception, the Company offers the following alternative for employees who were hired on or before the date of ratification, including existing part-time employees who subsequently move to a full-time position: * 72 hrs + 52 hrs

Effective 1/1/10, employees in active service who have completed three years or more of regular employment shall receive the following Catastrophic Sickness Allowance, in addition to all their other sick leave. The employee's catastrophic sickness allowance will be replenished at the beginning of each year as follows:

Years of Service	Catastrophic Sickness Allowance (Hours)
3	40
4	40
5	80
6	120
7	160
8	200
9	240
10	280

Criteria for accessing the catastrophic sickness allowance are as follows:

- All available sick time must be exhausted (including all Short-term Annual Accrued Sickness Allowance, Extended-term Paid Sickness Leave and Bonus Sickness allowance) before accessing the Catastrophic Sickness Allowance. In other words, the provision requiring employees to exhaust only a portion of their Extended-term Sickness Allowance before moving to the LTD plan would not apply; employees would have to exhaust 100% of all available sick time before accessing the Catastrophic Sickness Allowance.
- The employee must wait 14 continuous calendar days following the exhaustion of all available sick time before accessing the Catastrophic Sickness Allowance. This 14-day waiting period will be without pay, unless the employee chooses to use vacation or holiday credits.
- The Catastrophic Sickness Allowance can only be used to carry the employee through the long-term disability elimination period.
- The Catastrophic Sickness Allowance will be available for a disabling situation that lasts more than 14 continuous days. An employee who returns to work after accessing the Catastrophic Sickness Allowance, but then must leave work within 14 days for reasons related to the original disability, will be allowed to immediately access any unused Catastrophic Sickness Allowance, without a new waiting period.

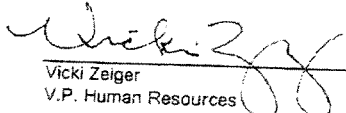
- Access to available Catastrophic Sickness Allowance hours will be facilitated through Disability Management Services, in conjunction with the employee's healthcare provider.
- ~~Unused catastrophic sickness allowance hours will be carried over to the following year.~~
- Use of the Catastrophic Sickness Allowance will be governed by existing provisions contained in Section 4.4 (B) of the collective bargaining agreement.
- The catastrophic sickness allowance is not eligible for the HRA.

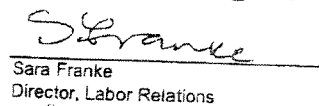
Below is a summary of the Company-paid sick time that would be available to employees each year beginning in 2010.

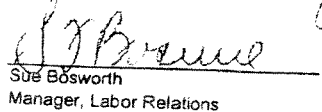
Short-Term Annual Sickness Allowance	Extended-Term Sickness Allowance (Including Bonus Sick)	Catastrophic Sickness Allowance
80 hours	All unused sick time carried over from the prior year, plus one additional week for employees with 20 or more years of service as of 1/1/09	An amount one-time allowance equivalent to the employee's Extended-Term Sickness Allowance

The undersigned parties agree to endorse and actively support the attached
Tentative Agreement dated January 31, 2009

For the Company


Vicki Zeiger
V.P. Human Resources

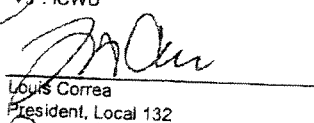

Sara Franke
Director, Labor Relations

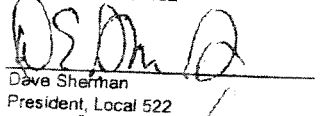

Sue Bosworth
Manager, Labor Relations

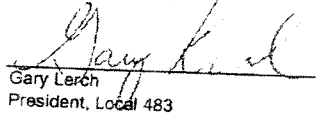
For the Union

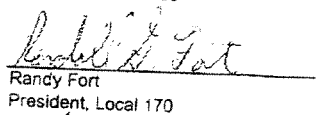

John Duffy
V.P. UWUA

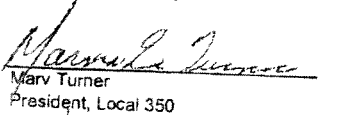

John Lewis
V.P. ICWU

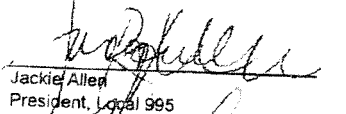

Louis Correa
President, Local 132

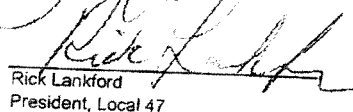

Dave Sherman
President, Local 522


Gary Lerch
President, Local 483

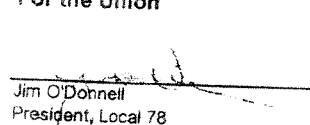

Randy Fort
President, Local 170

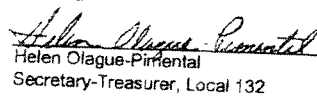

Marv Turner
President, Local 350

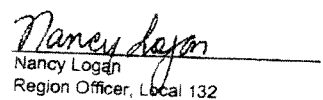

Jackie Allen
President, Local 995

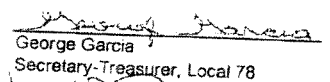

Rick Lankford
President, Local 47

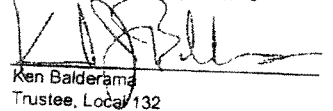
For the Union


Jim O'Donnell
President, Local 78


Helen Olague-Pimental
Secretary-Treasurer, Local 132


Nancy Logan
Region Officer, Local 132


George Garcia
Secretary-Treasurer, Local 78


Ken Balderama
Trustee, Local 132



AGREEMENT

BETWEEN
SOUTHERN CALIFORNIA GAS COMPANY
AND
UTILITY WORKERS UNION
OF AMERICA, AFL-CIO
INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL-UFCW

MARCH 1, 2009

RESPECTING RATES OF PAY
AND OTHER CONDITIONS OF
EMPLOYMENT



A Sempra Energy utility

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Exhibit I

Article I

LABOR/MANAGEMENT PEACE PRINCIPLES

- 1.1 - SoCalGas and the Union agree that it is in their mutual interest to work in an environment where there is labor/management peace and cooperation in order to meet competitive challenges, secure economic security for the employees and better serve SoCalGas customers.
- 1.2 - SoCalGas and the Union recognize that the business success of the Company is necessary to provide employees economic security.
- 1.3 - SoCalGas and the Union will attempt to settle matters of mutual concern such as environmental concerns, individual safety concerns, and administrative matters in the spirit of the partnership in lieu of resorting to administrative, environmental, safety, NLRB, etc., type of complaints.
- 1.4 - SoCalGas will ensure that its management team adheres to the principles and spirit governing this partnership.
- 1.5 - The Union National/Local elected leadership will officially communicate to its membership and appointed leaders (i.e., shop stewards, etc.) that they must adhere to the principles and spirit governing this partnership and

will proactively intervene if lack of adherence occurs.

- 1.6 - The Union agrees not to intervene in local, state or federal regulatory or administrative hearings, proceedings or investigations, or with financial institutions for purposes of opposing SoCalGas or undermining its business interest. Both parties recognize, however, that from time to time the Union and SoCalGas may be on opposing sides of issues and agree that in such circumstances full discussion of such differences will take place before such differences appear in a public forum.

- 1.7 - The Union will discontinue their sponsorship of any and all campaigns against SoCalGas, its products, and/or management.

- 1.8 - SoCalGas and the Union agree that in order to work in a true partnership that embodies trust, it is necessary for each to share information about business issues, including, on occasion, sensitive information and operating information. In order to accomplish this, SoCalGas and the Union will meet at mutually agreed times to discuss the information and these issues and other matters of general concern that are important to the maintenance of the partnership.

- 1.9 - SoCalGas supports employees' rights to gain economic security through collective bargaining in their Unions.

Sections 1.5 - 1.11

- 1.10 - SoCalGas will remain neutral in all organizing drives conducted by the Union for bargaining unit work, as defined by this Agreement, performed by SoCalGas or subsidiaries of SoCalGas, which operate or come to operate in the territory currently served by SoCalGas (service territory as of 8-8-96). If the Union secures a simple majority of authorization cards, subject to a mutually agreed upon verification and validation process, in an organizing drive as described above, for an appropriate bargaining unit, then the Company shall recognize the Union as representative for bargaining purposes for that unit without a secret ballot election conducted by the NLRB. The authorization card shall read, "I _____ wish to have the UFWU/ICWUC represent me as my exclusive bargaining representative for wages, hours, and other terms and conditions of employment", and all representations by the Union will be consistent with this language. The above shall not be applicable to any situation in which SoCalGas acquires in any fashion an existing business or company performing work relating to existing bargaining unit work.

- 1.11 - SoCalGas will remain neutral in all organizing drives conducted by the Union at SoCalGas.

Article II

MANAGEMENT/UNION RIGHTS, RELATIONSHIPS, RESPONSIBILITIES

2.1 - Management Rights

(A) General Statement: The Company has and will retain the unquestionable and exclusive right and power to manage its business and direct the working forces, including the right to hire, classify, grade, suspend, discharge, promote, demote or transfer its employees, provided it does not conflict with the provisions of this Agreement. Nothing in this Agreement is intended to or is to be construed in any way to interfere with the recognized prerogative of the Company to manage and control the business.

(B) Contracting Out:

(1) Except as otherwise specified in this Agreement, the Company shall not contract out work performed by the following classifications (hereinafter called "fenced-in classifications").

Cathodic Protection Spec	Instrument Spec	Senior Instrument Spec
Commercial Serv Tech	Ld Construction Tech	Station Maintenance Spec
Construction Tech	Ld Cust Serv Rep-2, Blg-2	Station Operations Spec
Cust Serv Rep-2, Blg-2	Ld Meter & Reg Tech	Station Tech
Cust Serv Rep-4, Blg-4	Ld Planning Associate	System Gas Dispatcher
Steno-4, Blg-4	Ld System Protect Spec	System Protection Pwr
Energy Tech Distribution	Measurement Spec	System Protection Spec
Energy Tech Residential	Meter & Reg Tech #1	System Protection Tech
Field Planning Associate	Meter & Reg Tech #2	Trans Pipeline Spec
Field Tech	Pipeline Tech	Welder Specialist
Gas Storage Specialist	Pipeline Planning Asst	
Industrial Serv Tech	Planning Associate	

AGREEMENT

BETWEEN
SOUTHERN CALIFORNIA GAS COMPANY
AND
UTILITY WORKERS UNION
OF AMERICA, AFL-CIO
INTERNATIONAL CHEMICAL
WORKERS UNION COUNCIL-UFCW

MARCH 1, 2009

RESPECTING RATES OF PAY
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EMPLOYMENT



A Sempra Energy utility

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Article I

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Sections 1.5 - 1.11

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2

Article II

MANAGEMENT/UNION RIGHTS,
RELATIONSHIPS, RESPONSIBILITIES

2.1 - Management Rights

(A) **General Statement:** The Company has and will retain the unquestionable and exclusive right and power to manage its business and direct the working forces, including the right to hire, classify, grade, suspend, discharge, promote, demote or transfer its employees, provided it does not conflict with the provisions of this Agreement. Nothing in this Agreement is intended to or is to be construed in any way to interfere with the recognized prerogative of the Company to manage and control the business.

(B) Contracting Out:

(1) Except as otherwise specified in this Agreement, the Company shall not contract out work performed by the following classifications (hereinafter called "fenced-in classifications").

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Construction Tech	Ld Cui Serv Rep-6, Blgt-6	Station Operations Spec
Cust Serv Rep-2, Blgt-2	Ld Meter & Reg Tech	Station Tech
Cust Serv Rep-4, Blgt-4	Ld Planning Associate	System Gas Dispatcher
Stano-4, Blgt-Stano-4	Ld System Protect Spec	System Protection Planr
Energy Tech Distribution	Measurement Spec	System Protection Spec
Energy Tech Residential	Meter & Reg Tech #1	System Protection Tech
Field Planning Associate	Meter & Reg Tech #2	Trans Pipeline Spec
Field Tech	Pipeline Tech	Welder Specialist
Gas Storage Specialist	Pipeline Planning Asst	
Industrial Serv Tech	Planning Associate	

4

(2) **Routine Work:** The Company retains its right to determine the best course to follow with regard to expanding or contracting the regular working force.

The Company retains the right to contract out in the following situations: fluctuating or seasonal work loads where the employment of additional regular employees could reasonably be expected to result in periodic shortages of work for such regular employees; to avoid payment of overtime rates; to conduct pilot programs; when contractors have specialized skills or equipment which make it more efficient for the Company to utilize them.

No layoff of regular employees shall occur as a result of contracting out under the provisions of this section.

(3) **Special Projects:** The Company will continue, as in the past, to employ architects and contractors, as occasion and fair outside business relations may require, for construction and building operations and for special maintenance projects not regularly a part of its activities in producing and distributing natural gas. The Company will not undertake to regulate the conditions of employment which may prevail under outside contracts or subcontracts covering such construction, building or maintenance.

2.2 - Union Rights

(A) Recognition:

The Company recognizes the Union for those units

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Section 2.2

shall be included in the bargaining unit. The Union hereby agrees the incumbents defined above shall have bargaining unit seniority based upon their hire date. However, positions traditionally excluded by the Company due to performance of confidential work (including, but not limited to Human Resources personnel or personnel performing Human Resources functions, secretaries [Associates/Assistants] of all levels, department heads and above), classifications which the Union has previously relinquished their representational rights to (including, but not limited to Marketing), and positions historically regarded by the Company as management are also excluded.

Recognition described above shall not be applicable to any situation in which the Gas Company acquires in any fashion an existing business or company performing work relating to existing bargaining unit work. Their inclusion shall only be determined in connection with appropriate proceedings before the NLRB or by specific agreement between the parties.

(B) Union Leave of Absence:

(1) Regular employees selected by the Union to do work for the Union which takes them from their employment with the Company, shall upon written request of the Union be authorized to absent themselves from their work with the Company for the period of their services for the Union; provided, however, that the number of employees on leave under the provisions of this Section shall not at any one time exceed five employees who are

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where the Union, through National Labor Relations Board certification, has been designated as the exclusive bargaining agency for employees of the Company covered by this Agreement, i.e., employees represented by Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council of the UFCW, AFL-CIO jointly, as certified by the NLRB in Case No. 21-RC-11756; and employees represented by Utility Workers Union of America, AFL-CIO, as certified by the NLRB in Case Nos. 31-RC-1072 and 31-RM-164 and in Case No. 21-AC-41.

The Company shall notify the Union when it creates an entirely new nonmanagement job classification or work location. This notification shall include pertinent facts including, but not limited to: classification, department, and the work location where the classification is proposed to be placed.

Southern California Gas Company agrees that this Agreement shall apply in the event that it decides, in its sole judgment, to create a new subsidiary to perform bargaining unit work within its current service territory. Whenever the Company or a subsidiary of the Company creates a job classification within its current service territory (as of August 8, 1998) which performs production, maintenance, technical or clerical work with job duties consistent with bargaining unit work, such classifications shall also be included in the Agreement.

The Company further agrees that, effective the date of the Agreement, general and accounting clerical positions

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members of the ICWUC or eight employees who are members of the UWWA.

During such Leave of Absence to do work for the Union, such employee shall have the same bid priority upon return to the Company as those provided in Section 5.10.(B).1 (Disability Bid) hereof, except that such employee shall have the right to return at any time to the same classification and kind of work in which such employee was last engaged prior to entering the service of the Union under the provisions of this Section; and, further, that such employee shall accumulate seniority during the full term of such service for the Union.

(2) In addition, upon submission of an electronic or written request from the Union, the Company will authorize regular employees to be absent from their jobs without pay (or to sustain pay as described in Appendix C Side Letter regarding Paid Union Leave) for the purpose of attending Union meetings, Union-sponsored schools, Union conventions, Union conferences, and in order to perform Union administrative work, providing the following conditions are met:

(a) Employees selected by the Union as delegates to state, regional, or national conferences or conventions shall, upon written request of the President of any Local Union, be granted permission to be absent from the Company for short periods of time whenever such absence does not interfere with the conduct of Company business. Such employees may apply unused vacation allowance to cover the time required

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for official duties and travel time by air in connection with such activities. Additional vacation may be scheduled only if the employee's regular seniority preference entitles him or her to it.

(b) Where operating necessity permits, officers of the Union who may be on shift will be allowed time off the job in order to attend meetings of the Local Union.

(c) Where operating necessity permits and where an electronic or written request has been properly completed and received by Labor Relations at least 48 hours (two business days) prior to the time of the beginning of the requested absence, members of the Union will be allowed specific periods of time up to ten working days in order to do Union administrative work. The ten working day limit can be extended during contract negotiations by mutual agreement.

(d) The Union agrees to minimize the number of employees on leave from the same work group/department. The Union agrees to make a reasonable effort to minimize the number of customer service personnel on leave under (2) of this section during the seasonal light period, and will attempt to rotate leave requests so as not to unduly burden a given operation or location.

(C) Union Security:

(1) Each employee who is working in a bargaining unit classification on or before the effective date of this Agreement shall be required as a condition of

employment to meet their financial obligation by making monthly union membership dues to either the Utility Workers Union of America, AFL-CIO, or to the International Chemical Workers Union Council, UFCW, AFL-CIO. Such employees who fail to meet their dues obligations to the Union will be subject to termination.

Newly hired prospective regular employees shall be required as a condition of employment to pay the amount of monthly dues effective with the month following completion of 30 days of service; except that an employee with less than 30 days of service who submits two authorizations for payroll deduction of dues, one to each union, will be notified as promptly as practicable that he or she must choose one union or the other for payroll deduction purposes. Deduction of dues in such case shall commence following notification to the Human Resources Department, of the employee's final choice, in accordance with the provisions of paragraph (2) of this Section.

In addition, any employee who comes from outside the bargaining unit into a job classification represented by the Union shall similarly be required to pay Union dues effective with the month following completion of 30 days service within the bargaining unit. An employee's obligation to pay Union dues in accordance with these requirements can be met by keeping in effect a valid authorization for payroll deduction of such dues, as provided under paragraph (2) following. Except when he or she transfers from one unit to another, as defined in Section 2.2 (Recognition), an employee's obligation to

pay dues may not be transferred from one of the unions that is party to this Agreement to the other.

(2) An employee may join or may authorize that monthly dues deductions be paid to, either the Utility Workers Union of America, AFL-CIO, or the International Chemical Workers Union Council, UFCW, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on the first and second payday of each month, deduct from any employee's wages for the related pay periods the amounts required to equal the total monthly Union membership dues for the current calendar month. The Union agrees that the monthly dues shall be constructed in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. For regular employees such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another, as defined in Section 2.2 (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of the employee's transfer.

(3) The Company will remit to the Financial Secretary or Treasurer for the Local Union, not later than twelve calendar days following the end of said related pay periods, the full amount of such deduction for dues made

during the pay period. Except in the bargaining units within the Transmission Regions and the Professional and Technical units, the Union may notify the Company to transfer remittance of dues from one local Union to another of the Utility Workers Union of America, AFL-CIO, or from one Local Union to another of the International Chemical Workers Union Council, UFCW, AFL-CIO, such transfer to be effected as of the first of the months following receipt of notification.

(4) It is agreed that the Union shall indemnify and save the Company harmless from any claims, suits, or any other form of liability as the result of making payroll deductions for membership dues in accordance with the terms of any previously agreed upon or current payroll deduction form. In addition, it is agreed that it is the Union and not the Company that is responsible for the collection of unpaid dues when a dues deduction is not made for any reason. It is further agreed that the Company is not liable to the Union for any failure to deduct dues but that the Union's sole remedy is to collect unpaid dues directly from the employee.

(5) The Union agrees that neither it nor any of its officers or members will intimidate or coerce employees into membership in the Union. The Company agrees that neither it nor any of its officers or supervisory employees will intimidate or coerce employees to refrain from joining the Union.

(D) Union Activity: The Company will not discriminate against any employee for engaging in Union activity.

Union activity shall not take place on the job in such a way that it interferes with the work. However, the Company will permit access to Company property by Union representatives to expedite the handling of grievances, to contact members of the Union, or to visit Union Bulletin Boards, under the following circumstances:

When more than one employee is to be contacted, such visitations shall normally be limited to the lunch period or immediately prior to the beginning of or after the end of a shift. When only one employee is to be contacted, or when a grievance investigation is involved, or when a Union bulletin board is to be visited, such visitations may be made at any convenient time during working hours. The Union representative shall request permission in advance by no later than **48 hours (two business days)** preceding the day of the visit from the Director, Labor Relations, other Headquarters Directors or Region Directors and shall limit his or her visitation to a reasonable length of time.

Where practicable the supervisor will provide an appropriate place for the Union representative to confer with the employee or employees. It is understood and agreed that such discussions will be limited to particular problems arising under this Agreement and will exclude discussions of general Union administrative procedures. It is further agreed that such visitations will not be used for purposes of organizing employees, official union meetings, recruiting new members, or collecting dues.

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Section 2.2

violation by the Company of any provision of this Agreement. However, an issue of fact as to whether or not any particular employee has engaged in, participated in, or encouraged any such violation, may be subject to the grievance procedure and or arbitration.

(F) Picket Lines: Recognizing the obligation of the Company and of its employees to render service to the public under the provisions of the California Public Utilities Act and the franchises granted to the Company thereunder, the Union and the Company agree that the presence of a picket or of a picket line on or adjacent to the premises of any customer or potential customer of the Company shall not, of itself, remove the obligation to render such service as has been regularly applied for or otherwise properly requested by such customer, or such service as is necessary in the interest of public health and safety or in the normal routine of Company operations.

It is further agreed, however, that employees are not required to cross a picket line if in the employee's best judgment it appears to the employee that such entry may result in physical violence or injury to him or her. In such event the employee shall specifically explain to the person in charge of such picket line the obligation of the Company and of its employees to render service and inquire as to whether or not such entry will be physically resisted. Where such inquiry has been made and the employee is advised by the person in charge of the picket line that his or her entry will be so resisted, or in case violence actually in progress precludes such

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(E) No-Strike Clause: There shall be no picketing, strikes, concerted failure to report for work, slowdowns or stoppages of work, nor any lock-outs, during the term of this Agreement.

The Company agrees that neither the Union, its officers or official representatives, shall be liable for damages for unauthorized picketing, strikes, concerted failure to report for work, slowdowns or stoppages of work, if:

(1) The Union gives written notice to the Company and the employees involved, within 24 hours after being informed by the Company of such action, that it has not authorized the stoppage, strike, slowdown or suspension of work, and such written notice directs the employees involved to return promptly to their jobs and cease any further violation of this Agreement, and if:

(2) The Union at the same time authorizes the Company to give such further publication of such notice as in the sole judgment of the Company appears desirable.

It is recognized that the Company has the right to take disciplinary action, including discharge, against any employee who is responsible for or participates in a breach of a provision in the first paragraph of this Section, whether or not the Union gives the notice provided in this paragraph. It is agreed that such action on the part of the Company shall be final and binding upon the Union and shall in no case be construed as a

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inquiry, the employee shall forthwith notify his or her supervisor. In no case will the employee be required to enter the customer's premises under the circumstances hereinabove described until any such threat of resistance to such entry shall have been removed. Failure to gain entry to the customer's premises under the circumstances hereinabove described shall not, in and of itself, be deemed a violation of the terms of the Agreement, nor shall it result in the loss of seniority or pay to the employee involved.

(G) Seniority List: The Company agrees to furnish the Union the seniority lists of all regular and probationary employees in work locations covered by the terms of this Agreement. The seniority list shall be by Region and by classification, and shall be corrected and brought up to date every three months.

(H) Union Officers: Seven (7) officers from all locals of the UWUA and Five (5) officers from all locals of the ICWUC, for a total of not more than Twelve (12) representatives may elect to be excluded from off-hour shifts or details during the period that he or she holds office, provided that the employee is in a working group that rotates through such assignments and that is large enough for his or her exclusion to meet operating convenience. It is understood that dispatch office working groups are not ordinarily considered large enough to qualify hereunder.

In the event of layoffs for lack of work as provided in Article VII (Shortage of Work) the members of the

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Steering Committee of the Joint Labor Committee (not to exceed eight employees), the President of Local 483 of the UMWUA, and the President of Local 522 of the UMWUA, if assigned during their respective terms of office to progressions in which layoffs occur, shall in face of such layoffs, be placed at the top of the seniority list of the respective job progressions in which such layoffs occur. Upon termination of their respective terms of office, such officers shall automatically revert to their appropriate positions on the seniority lists of the job progressions to which they are respectively assigned. The Union agrees to notify the Company of the names of such officers and of their term of office at the time of their election. The special seniority accorded hereunder will not apply unless such notification is received by the Company in writing at the time of the signing of this Agreement or within 30 calendar days after the election of such officers.

(I) **Bulletin Boards:** In plants or units covered by this Agreement the Company will erect and maintain bulletin boards in suitable places mutually agreed upon, to be used solely by the Union for the posting of notices of the following type only, except that additional notices may be posted upon approval by local management or by the Director, Labor Relations:

- (1) Notices of Union recreational and social affairs.
- (2) Notices of Union elections, appointments, and result of Union elections.
- (3) Notices of Union meetings.

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Sections 2.2 - 2.4

2.3 - Nondiscrimination

The Company and the Union agree that neither will discriminate because of age, sex, handicap, medical condition, marital status, sexual orientation, race, religious creed, color, national origin, ancestry, or otherwise in accordance with federal and/or state law.

2.4 - Conclusion of Bargaining & Term of Agreement

(A) **Term:** This Agreement shall be effective from March 1, 2009, to and including September 30, 2011.

(B) **Good Faith:** The Company and the Union expressly stipulate that the provisions of this Agreement, irrespective of the give and take entering into negotiations thereof, and without prejudice to future negotiations, are essentially fair and equitable, and each party further stipulates that this Agreement is entered into without mental reservations, unexpressed lack of agreement or other failure to agree with the provisions hereof, it being the express intent of both parties to conclude this Agreement and to observe the covenants herein set forth in complete good faith.

(C) **Zipper Clause:** It is agreed that during negotiations which resulted in this Agreement each party had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law or by agreement through a valid and existing contract from the area of collective bargaining and that the understanding and agreements arrived at by

(4) Minutes of Shop Committee meetings.

Notices that have been approved by local management will be identified by an asterisk or star placed in the upper left-hand corner. Notices that have been approved for posting by the Director, Labor Relations will be identified by two such asterisks or stars in the upper left-hand corner.

It is mutually agreed that the bulletin boards shall not be used for posting or distributing pamphlets or political matter of any kind, nor for the posting or distributing of matter derogatory to supervisors, management or the Company, or for advertising.

As a service to the Union, the Company will arrange to have any of the following items posted, when issued, on the General Bulletin Boards in each District and Region headquarters office, and in each major plant and operating base:

This Agreement

The Job Profile Index

The appropriate area seniority list provided in paragraph (G) herein

Notices of Prequalifying Test Sessions

(J) **Notification of New Employees:** Newly hired employees who are subject to this Agreement shall be so notified by the Company at the time of their employment in the manner agreed upon at the time of the execution of this Agreement.

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the parties after the exercise of that right are set forth in this Agreement. Therefore, the Company and the Union for the life of this Agreement each voluntarily and without qualification waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

(D) **Governmental Approval:** It is agreed that the provisions of this Agreement relating to expenditures which may be subject to Governmental approval will be submitted to the appropriate Governmental agencies and are subject to such approval.

(E) **Printing of Agreement:** The Company agrees to use the services of a Union recognized printer to print copies of this Agreement and to distribute to all bargaining unit employees a copy of the printed Agreement. In addition, the Company agrees to provide each local with Agreements equal in number to 10% of their respective memberships.

2.5 - Labor-Management Activities

(A) **Notices:** Notices required to be served under the terms of this Agreement shall be sufficiently served for all purposes herein when mailed, postage prepaid, certified

mail, return receipt requested, to Southern California Gas Company, attention — Labor Relations, Manager of Labor Relations, 555 West Fifth Street, Los Angeles 90003-1022, for service upon the Company and when similarly mailed to Utility Workers Union of America, AFL-CIO, 7200 Greenleaf Avenue, Suite 380, Whittier, CA 90601 (Area Code 562-696-0142, Company Mail Location #702J), and/or to International Chemical Workers Union Council, UFCW, AFL-CIO, 3200 Inland Empire Blvd., Suite 160, Ontario, CA 91764 (Area Code 909-476-1855, Company Mail Location #702F), for service upon the Union, and the date of delivery of such notice shall be the controlling date for all purposes hereunder.

(B) Interim Meetings: In order to effectuate this Agreement, the Union and the Company mutually agree to have their respective committees meet to discuss the administration of the Agreement and any problems that arise thereunder. The committee shall consist of the representatives who negotiated this agreement or their successors. A review of industrial accidents and suggestions on safety matters that are considered to be more than local in scope may be part of the agenda. Such meetings shall be scheduled any time during the term of this Agreement, within 24 to 48 hours following the receipt by the Company of the Union's agenda.

(C) Safety — Company/Union Policy:

The Union and the Company agree to cooperate in maintaining safe working conditions. No employee shall

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Section 2.5

employees of the departments or Region represented by the committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the committee on which they are to serve. Whenever practicable, other Company employees who are knowledgeable about particular topics may attend committee meetings.

The Safety Committees shall hold meetings quarterly or upon request of either party or according to any regular schedule mutually agreed upon by Union representatives and local management to permit inspection, discussion, and review of local health and safety conditions and practices.

(2) District and Local Safety Committees

Employee participation in safety management through local safety committees is strongly encouraged. These guidelines are intended to facilitate formation of safety committees in organizations that do not currently have one and to promote consistency in committee make-up and function.

Safety Committees will be established at a district and department by mutual consent of management and the Union(s). The committee should be made up of at least three represented persons (larger locations may have more). To obtain the best cross section of employee representation, a person from each work group should be on the committee (i.e. customer contact, field services, meter reading, etc.). In addition, a representative of Management and the Union will serve,

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be required to work under conditions or operate equipment which does not meet the requirements of the lawful orders of the State of California pertaining to employee safety, and refusal to work under such conditions or operate such equipment shall not in and of itself be deemed in violation of paragraph (B) of Section 6.3 (Causes for Disciplinary Action), nor of Section 2.2(E) (No-Strike Clause).

(D) Safety Committees: It is agreed that upon execution of the present Agreement, Safety Committees may be established.

(1) Region and Headquarters Department Safety Committees

Safety Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee). Safety Committees established outside the Joint Certification shall be composed of two representatives designated by the Union.

Two representatives will be designated by the Company plus a representative of Safety Management's Staff. By mutual agreement a greater number of regular representatives, not to exceed the number necessary to represent affected work groups, may be established. The Union representatives shall be selected from the

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and in turn, will mutually agree on the method of selecting the rest of the committee. The length of term will be twelve (12) months on a rotating basis or end of project (not to exceed eighteen (18) months). To maximize education, all employees at the location should have an opportunity to serve on the committee. Persons selected to service on the committee should be those who support the Company and the Union's efforts in safety and incident prevention.

Responsibilities

The responsibilities of the safety committee will be varied based on the needs and requirements of each work location. Some general duties are listed below:

1. By consensus, the committee will agree on a meeting schedule.
2. Assist in planning and conducting of the safety meetings.
3. Promote the idea that a person's safety is everyone's responsibility.
4. Review suggestions from employees pertaining to changes in safety programs, safety equipment and make recommendations to appropriate personnel for consideration.
5. Be familiar with the contents of the Company's Injury/Illness Prevention Program Handbook and be prepared to make recommendations for changes to local management or region safety supervisor.

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6. Be alert to the any hazard or hazardous conditions and report as soon as possible to appropriate personnel designated by Safety Committee. Review industrial injury and motor vehicle accident reports and make commendations on methods of prevention and protection to prevent a similar recurrence.

7. Communicate and coordinate safety/issues between work groups, all shifts, and other safety committees.

Suggestions and recommendations for the prevention and elimination of unhealthful and unsafe conditions and practices shall be promptly investigated and acted upon by the appropriate staff. Participating representatives, insofar as practicable, shall be furnished, at least 24 hours prior to the time of the meeting, with a written agenda of all matters to be discussed at the meeting.

If safety matters are not resolved to the satisfaction of Union representatives, they may be referred to the grievance procedure under Section 6.8 (Grievance/ Arbitration Procedure) or, in the case of safety matters having system-wide implications, to an Interim Meeting as set forth in Section 2.5 hereof. If the matter is of sufficient urgency, the meeting may be scheduled prior to the next otherwise planned Interim Meeting.

(E) Shop Committees:

(1) It is agreed that upon execution of the present Agreement, Shop Committees shall be established in the following locations:

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MAJOR SHOP COMMITTEES

Customer Contact Centers

Customer Service Mass Markets & Distribution Operations

South Inland Region
Imperial
Redlands
Northern Region
Chatsworth
Pacific Coast Region
Anaheim
Compton

Gas Transmission & Storage Operations

Beaumont
Blythe
Victorville/Newberry Springs/Needles
Aliso Canyon/Honor Rancho
Valencia/Chatsworth
Goleta/Ventura
Taft
Brea/Olympic/Saticoy
Playa Del Rey/Montebello

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Section 2.5

SPECIAL SHOP COMMITTEES

Business Solutions

Fleet
Facilities
Logistics
Fabrication & Tool Repair/Meter Shop

Gas Control

Customer Assistance

DAP
CARE

Customer Operations

Branch Offices
Mass Markets Billing
Mass Markets Credit & Collections
Meter Reading

Gas Engineering

Engineering Analysis Center
Mapping Services

Customer Remittance Processing

Data Distribution
Mail Payments

At the Union's request, the Company will establish additional Shop Committees to deal with matters concerning Union represented employees not included

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under the jurisdiction of any Shop Committee listed above.

(2) Shop Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee.) Shop Committees established outside the Joint Certification shall be composed of two representatives designated by the Union. The Company shall designate two representatives to each Committee. The Committee may be increased from time to time by mutual agreement. The Union representatives shall be selected from the employees of the departments or Region represented by the Committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the Committee on which they are to serve. Whenever practicable, other supervisors who are knowledgeable about particular topics will attend for those topics.

(3) Major Shop Committee meetings shall be held upon request of either party, or according to any regular schedule established mutually by the Union representatives and local management. Special Shop Committee meetings shall be scheduled upon request of either party. Any given meeting may be extended, or recessed and resumed, as necessary to complete any given item of business, upon the unanimous

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concurrence of representatives of the Union and of the Company. Participating representatives, insofar as practical, shall be furnished, at least 24 hours prior to the time of the meeting, with written agenda of all matters to be discussed at the meeting. The agenda shall be prepared in sufficient detail to permit the Company and Union representatives to make any necessary review of the matters to be discussed. Meetings shall be scheduled by mutual convenience, under conditions which neither disturb nor interfere with Company work. Procedure shall be as informal as is consistent with transaction of the business at hand.

(4) Shop Committees shall deal with matters which are strictly local to the department and which do not involve changes in this Agreement or Company policy. Interpretations of this Agreement or of Company policy may be discussed; provided, however, that any controversy with respect to such matters shall be referred to the grievance procedure. Representatives of the Union or of the Company may, by stating a motion to such effect, cause transfer of any matter before the Committee to regular grievance procedure under Article VI (Dispute Resolution). Minutes of each meeting shall be prepared by the Company representatives and offered to the Union representatives for correction and approval within 24 hours or as soon thereafter as practicable following the conclusion of the meeting. Upon final approval by both parties to this Agreement, such minutes may be posted on appropriate bulletin boards by either party hereto. Agreements reached by the Shop

Sections 2.5 - 3.2

3.2 - Scope

Only regular employees are accorded seniority rights hereunder. Prospective regular employees and temporary employees do not have seniority rights.

Prospective regular employees are those who (1) are scheduled to work no less than forty hours per week in jobs which are occasioned by continuous requirement of the Company; and (2) are employed in jobs which, at the time of employment, offered a likelihood of more than six months of regularly scheduled work; and who (3) have not yet completed the customary probationary period of six months or any agreed upon extension thereof.

Temporary employees are those who (1) have accepted employment in jobs which, at the time of employment, appeared to offer a prospect of less than six calendar months of continuous work; or who (2) have accepted employment in part-time jobs in which they are regularly scheduled to work substantially less than 40 hours per week, exclusive of work performed during the school vacation periods. The Company will notify each newly hired employee by mail that his or her status is either that of a temporary employee or a prospective regular employee.

When a prospective regular employee successfully completes the six months' probationary period or extension thereof, his or her probationary period shall be credited as regular employment in determining his or her official date of entry into the service. In the event that a prospective regular employee is terminated because of

Committees shall be listed in the minutes of the meeting and shall be considered as approved unless revoked in writing by the Union or the Company within five working days after receipt of the minutes as provided by Section 2.5 (A) (Notices) hereof. In the event that neither party revokes within the ten working days, the Shop Committee Agreement shall remain in effect for six months and will be automatically renewed every six months unless specifically revoked in Shop Committee by one of the parties.

Article III

BARGAINING UNIT SENIORITY &
JOB CLASSIFICATIONS

3.1 - General Seniority Policy

Where ability and qualifications are sufficient the seniority of regular employees shall be observed in re-employment and layoffs, and in promotions, as herein provided. The date of entrance into service will be considered the date upon which continuous employment begins. Continuous employment, as regards probationary employees, is that employment which is regular and unbroken by any absence longer than ten succeeding working days or two calendar weeks for a reason other than an on-the-job injury compensable by workers' compensation, jury duty or an appearance in court as a witness. A regular employee who is rehired within ten working days after termination shall have his or her seniority fully reinstated.

extended absence due to sickness or injury before completion of the six months' probationary period, and is rehired within 30 calendar days of such termination, his or her service prior to such termination will be credited as regular employment in determining the employee's official date of entry into the service.

When the Company provides off-the-job training to qualify for a job, the probationary period shall be extended by the period of time spent in such training, or until nine months following entry into Company service, whichever is the lesser.

Rather than resort to outside hirings, the Company will consider prospective regular employees for promotion. Prospective regular employees shall be subject to the provisions of paragraph (D) of Section 6.5 (Disciplinary Procedure) for an additional period of six months, or nine months following entry into Company service, whichever is the lesser.

Time spent as a regular management employee shall not count when calculating seniority for the exercise of rights under Section 5.10 (Position Opportunity System) and Article VII (Shortage of Work) of this Agreement, and vacation schedule and shift assignments.

3.3 - Determination of Seniority

An employee's seniority begins on the official date of his or her entry into service as recorded by the Company and continues to accumulate until his or her services as

an employee are officially terminated, except as provided in Veteran's Seniority Credit. Absence from work for authorized reasons such as vacation, sickness, or accident, or with properly authorized leave of absence shall not impair or cause any break in an employee's seniority, except as provided in Family Care Leave and Union Leave of Absence. However, a regular employee who has not completed one year of service shall be terminated after an absence of 60 calendar days because of illness or injury. An employee so terminated may put job requests in for any open jobs he or she is capable of performing, for a period of six months following his or her termination. His or her job request shall be considered before that of any employee with less seniority and before any hiring off the street. Further, an employee so terminated shall have the right to return to his or her former job at any time within 90 calendar days following his or her termination on the same basis as an employee returning from Disability. He or she shall upon re-employment be credited with the seniority which has accrued to him or her up to the date of such termination. An employee who has completed one or more years of service shall be terminated after an absence of nine months in which the employee is not qualified for and does not receive benefits under the Disability Benefit Plan.

In the event that the accredited seniority of two or more employees is identical, the order of preference in all matters in which seniority is a determining factor shall be determined as follows:

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(1) if any such employee shall have had prior temporary or regular service with the Company, including any predecessor company, which is not related to the present seniority determination, then the employee having had the greatest amount of such prior temporary or regular service shall be given said seniority preference;

(2) in the absence of the aforesaid prior temporary or regular service, or in case such prior temporary or regular service shall be equal, the said seniority preference shall apply to the employee who has had the greatest amount of service within the job progression;

(3) in case such service within the job progression shall be equal, the said seniority preference shall apply to the employee who holds the highest job classification or who has the greatest amount of service in the same or equally paid job classifications; or

(4) All employees hired on the same day shall have their preference, if not already established by (1), (2) & (3) above: established by the order of random numbers assigned at the time of hire.

3.4 - Seniority in Demotion

When an employee has been demoted for cause other than failure to perform work in an efficient and workmanlike fashion, his or her seniority so far as

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subsequent promotion is concerned shall be redated as of the date of the demotion for cause. Such an employee shall retain his or her original seniority rights regarding layoff and rehiring. Further, he or she shall have his or her original seniority rights fully restored following three consecutive years during which his or her record has been satisfactory.

When an employee is demoted for failure to perform work in an efficient and workmanlike fashion, or has elected to take a demotion in face of a written warning prior to completion of the probationary period established with such warning, as provided in Section 6.4 (Advance Warning of Intention to Discipline), his or her seniority shall not be redated. However, it is understood and agreed that he or she will be restricted from promotion in the line of work from which he or she was demoted; except that, following three consecutive years during which his or her record has been satisfactory, he or she shall, if otherwise considered qualified, have such restriction removed.

3.5 - Veteran's Seniority Credit

It is understood and agreed that any employee who was accorded Veteran's Seniority Credit prior to August 1, 1970, shall continue to carry such credit. This credit shall also be extended to employees who served active duty in the US Armed Forces or National Guard in the Afghanistan/Iraq conflicts which resulted from the events of September 11, 2001.

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3.6 - Seniority in Shift/Schedule Assignments

As used in this section and throughout this Agreement, the term "shift" refers to the general shift the employee is working, i.e., day, swing, or graveyard. The term, "schedule" refers to the hours within a shift that an employee is assigned or the days of the week that an employee is assigned.

In recognition of seniority, employees may select shift and schedules, on a voluntary basis, in seniority order. Absent mutual agreement in shop committee, unfilled shifts and schedules shall be filled in inverse seniority order.

An employee may request a change to his or her shift or schedule during the months of February and August of each year, providing that the employee wishing a change has made application in writing to the appropriate supervisor not later than the first day of the preceding January or July, respectively. If an employee's request is not honored because he or she lacks sufficient seniority, the employee may keep his or her written request active for the next semi-annual selection by informing his or her supervisor.

In recognition of seniority, in the Customer Contact Center, employees may request specific shifts/schedules during a CCC "open selection" process conducted in August, for shifts/schedules that become effective in September. Shifts changes may be made in March provided that the employee wishing a change submits a written request to his or her supervisor by February 1.

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In all cases, it is understood and agreed that written request shall not be used as a means of requesting a change in basic schedules or in type of work or job location, and the Company shall have the right to refuse reassignment in the event that operating conditions do not permit the change. It is further understood that an employee on a non-rotating swing or graveyard shift schedule who is attending school for credit will be allowed to remain on such schedule as long as he or she maintains continuous attendance during each school semester, other than the summer vacation period.

In the event the Company reassigns an employee to a new shift on a regular basis, the restriction to one change per year will be lifted for any affected employees.

3.7 - Seniority In Rehiring

In the event of rehiring or reclassification following layoff, the employee last laid off or reclassified in accordance with the provisions of Section 7.1 (Seniority in Layoff) shall be offered re-employment or reclassification first, and no new employee shall be hired until the list of employees laid off or otherwise removed from the given payroll classification shall have been exhausted. Such re-employment privilege, however, in the case of an employee who leaves the Company with rehiring rights under Section 7.1 of this Agreement, shall not continue for a period of time greater than three calendar years. Such reclassification privilege, in the case of an employee who has remained on the payroll, shall

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obligation to notify such employees other than by certified mail.

3.8 - Classification Policy

No employee shall have more than one classification. The Company assumes no obligation to maintain any specific number of employees in any given classification. The properly assigned duties of any job classification include any or all tasks or duties which are within the range of skill of the classification. Two general types of duties which fall within the range of skill are "parallel duties" and "downhill duties": (1) Parallel duties are the duties normally associated with job classifications in related lines of work which carry the same wage rate as the job under consideration; (2) Downhill duties are duties normally associated with job classifications carrying lower wage rates in the same or related lines of work.

3.9 - Classification Changes

The Company agrees not to reclassify any employee for the sole purpose of lowering his or her salary or for the sole purpose of removing such employee from the bargaining unit as herein defined. Reclassification may be made, however, in connection with promotions and transfers; for any of the causes listed in Section 6.3 (Causes for Disciplinary Action); or as the result of a shortage of work.

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continue for a period of three years.

Re-employment Following Layoff For Shortage of Work: Employees laid off under this section, who reapply for employment and secure a regular job within 12 months of the termination date, will have, upon re-employment, the same seniority status they had attained at the time of their layoff. In addition, their sickness and vacation allowances will be fully reinstated. Their status under the life insurance, disability benefit and pension plans will be determined in each case according to the then existing rules of these plans.

The refusal of an offer of re-employment in the same or parallel classification in the same work location as that held by the employee at the time of layoff shall terminate any obligation assumed by the Company. However, the Company will not offer re-employment in a parallel classification if the employee lacks any specific skills that are required in the job, such as typing, stenography, public relations skills, or the ability to lift heavy objects, etc.

An offer of re-employment mailed to the last known address of an employee whose services are terminated for lack of work requiring his or her presence on the job within twenty calendar days of the date thereof, shall terminate if unanswered at the end of the twenty-day period, and his or her re-employment privileges hereunder shall likewise terminate. The Company will maintain on active file all mailing addresses furnished by the employees who have been laid off, but assumes no

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Changes in classification affect salaries in accordance with the reason for the change and the length of the employee's service. A description of the various ways in which classification changes affect salaries is contained in Section 4.1(D) (Pay Schedules). During the term of this Agreement the Company agrees that any proposal that establishes a new classification to perform some of the work of the existing classifications will be negotiated with the Union. The Company and the Union agree to a period of good faith bargaining beginning within five working days of the request (unless this time period is extended by mutual agreement). In the event agreement is not reached, arbitration will be held under an expedited process requiring a bench decision by the arbitrator. Such arbitration shall be heard at the next scheduled hearing date closest to but not later than 30 days after either party requests arbitration. In the event no such hearing date is scheduled, such arbitration will be heard at the next scheduled hearing date.

3.10 - Refusal of Duties

The interpretation and application on the job of the Job Profile Index is a function of the supervisors of the Company. An employee shall not be entitled to refuse duties assigned to him or her during the course of his or her regular working hours based upon a conflict of opinion as to the proper interpretation of the Job Profile Index. Cases of such conflict are subject to the remedies provided in the grievance procedure. He or she shall not be entitled to refuse duties under any

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circumstances except as provided in the following paragraph.

An employee may refuse to perform duties assigned to him or her if he or she reasonably believes that performance of the duties would imperil the health or safety of the employee or other employees or create a hazard affecting Company operations or the safety of the public contrary to the provisions of Section 2.5 (Safety - Company/Union Policy). In such a refusal of duties an employee assumes responsibility for subsequently supporting his or her position in the event of disciplinary action taken under provisions of Article VI (Disciplinary Conditions and Procedures).

When an employee who is represented by the Union is required to perform duties which are outside the range of skill in his or her classification or of the duties of parallel or lower level jobs in the same or related lines of work as described in the Job Profile Index, except as provided in Section 5.7 (Job Assignments During Inclement Weather) and as may be involved in going practices with respect to temporary promotion, the Union may file a grievance. If the grievance is sustained, the employee shall be paid for all work performed outside the skill range of his or her classification, from and after the date upon which the grievance is filed, at the rate called for under an appropriate classification. If the assignment of duties outside of the skill range of his or her classification is continued, the employee shall be appropriately reclassified, subject to the seniority provisions of this Agreement.

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Section 4.1

(C) Less Than Satisfactory Employees:

Effective with the signing of the Agreement, employees rated Less Than Satisfactory (LTS) overall for attendance or an unsatisfactory accident record will not receive a general wage increase and/or, if applicable, a step-in-progression increase. The removal of the LTS rating requires one (1) year of satisfactory performance.

Effective with the signing of the Agreement, employees will not receive a general wage increase and/or, if applicable, a step-in-progression increase if they are rated LTS overall for unsatisfactory job performance. Once an employee is rated LTS overall for job performance and then achieves satisfactory performance, typically in 3 to 6 months, the LTS overall rating shall be removed. The employee must then maintain satisfactory performance for a sustained period of 180 days. Following such period the employee will be eligible for a general wage increase and/or step-in-progression increase.

When one year of satisfactory performance has been met as stated in the first paragraph above, or 180 days following removal of the LTS rating as stated in the second paragraph, the employee's wages will be as follows:

- (1) An employee whose pay was at the top rate of pay shall be entitled to the top rate in the current schedule of Appendix A.
- (2) An employee whose pay had not yet reached the

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Article IV

TOTAL COMPENSATION

4.1 - Pay Structure

(A) Base Wages:

The Weekly Pay Rates to be in effect from October 1, 2008 through September 30, 2009, and from October 1, 2009 through September 30, 2010 and from October 1, 2010 through September 30, 2011 are as set forth in Appendix A.

(B) Pay Days:

It is understood that each employee will receive payment at biweekly intervals and that payday shall be the Friday next succeeding the end of said intervals, unless Friday is a recognized holiday stipulated in Section 4.4(E) (Holidays), in which case payday shall be the preceding Thursday. In the event of a delay in the preparation or transportation of paychecks occasioned by circumstances not within the control of the Company, payday shall be the next day upon which the Company is regularly open for business.

When an employee is absent for authorized reasons on payday, he or she may request to have his or her check mailed to the address he or she has on file with the Company or he or she may make other arrangements in advance that are satisfactory to the employee and his or her supervisor.

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top rate shall be entitled to the employee's step-in-progression rate in the current schedule of Appendix A at the time in the pay grade at which pay was suspended (time towards the next progression step will not be counted until the conditions in the first or second paragraph are met). Subsequent rate increases will follow the time intervals in the schedule of Appendix A.

(D) Pay Schedules:

The Weekly Pay Rates Listed in Appendix A shall be applied as follows:

(a) Upon Hiring: The Starting Rate is the minimum salary to be paid new employees when they enter the Company's service.

(b) When Classification is Changed: When an employee's classification is changed, his or her salary shall always be based upon his or her regular classification (as distinct from temporary upgrading), and shall be affected in accordance with the reason for the change as follows:

- (1) In case of Promotion, Transfer, Bid or Other Move to a Higher Job Classification: When an employee is promoted, transfers, bids or otherwise moves to a higher job classification, he or she shall be entitled to the lowest salary rate for the new classification that is at least \$10.00 per week higher than his or her existing rate for his or her regular classification. However, the employee's rate of pay

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shall be no lower than any rate previously earned within the same type of progression and for the same or a lower classification existing in the progression in which the promotion or transfer occurs unless subsequent lower rates of pay resulted from demotions, transfers, bids or other moves to lower classifications or exercise of 56-day return rights.

(2) **In Case of Transfer, Bid or Other Move to an Equivalent Job Classification:** When an employee transfers, bids or otherwise moves to an equivalent job classification, he or she shall be entitled to his or her existing rate for his or her regular classification.

(3) **In the Case of Transfer, Bid or Other Move to a Lower Job Classification:** When an employee transfers, bids or otherwise moves to a lower job classification, he or she shall be entitled to the rate for the new classification that is next below his or her existing rate for his or her regular classification.

(c) **After Assignment In Classification:** If the employee is in pay progression in his regular classification, his or her first increase following assignment to the new classification shall be effective on the date of his or her next scheduled increase in his or her former regular classification. If the employee is at the maximum scheduled rate for his or her regular classification, rate increases shall follow the time intervals in the schedule of Appendix A. If an employee at the maximum rate has accrued time in a

Sections 4.1 - 4.2

Employees transferring into a work group during the year will be put on the overtime eligibility list at the overtime average for the group. The method of zeroing out of overtime shall be determined annually through mutual agreement in shop committee. Failure to agree shall result in all employees being zeroed out on January 1st of each year.

In order to maintain service to the public, it is agreed that the Company must and does reserve the right to require overtime work under certain circumstances. Nevertheless, this will be done only when, in the judgment of the responsible supervisor, the need for such work cannot adequately be met on a voluntary basis.

(B) **Definition of Overtime:** Overtime is defined as time worked prior to or after an employee's regularly scheduled working hours or time worked during nonscheduled working days.

(C) **Overtime Calculation:** Overtime will be paid for all time worked in excess of scheduled hours, computed to the nearest quarter hour.

(D) **Time Sheets:** Whenever overtime work has been performed, an employee whose time sheet for payroll purposes is filled out by another person may upon request inspect the time sheet at the end of the workday, or may inquire at the beginning of the next working day by phone in those instances where the time sheet is filled out at another location or has been filled out after the employee is released from work.

classification that is in the same type of progression and is parallel or higher to the new classification, the employee shall be entitled to no less than the step and pay progression point attained in that classification since reaching maximum.

4.2 - Overtime

(A) **Overtime Policy in General:** It is the policy of the Company that employees who would be considered as subject employees according to the definitions of the Fair Labor Standards Act shall receive compensation for overtime worked. Such employees will be referred to as "Overtime" employees and when, in accordance with established practice, overtime is paid, the overtime rate shall be time and one half, except as provided under paragraph (G) (Extensive Overtime Work) hereof.

The Company and the Union mutually agree that overtime work will be held to a minimum and that compulsory overtime work will be avoided wherever feasible. It is further agreed that the Company retains the right to take alternative steps to avoid overtime work. Where overtime work is assigned, the opportunity to work overtime will be spread as equally as practicable on a calendar-year basis among those qualified employees who perform the work on a straight-time basis at a given work location; subject, however, to the procedure outlined in the following paragraph hereof:

Overtime shall be tracked on a cumulative basis.

(E) **Overtime Meal Allowance:** An employee will be provided a meal allowance of \$13.50 any time his or her working time is ten hours and 30 minutes or more, or if he or she works a short-notice call-out of four hours or more (actual working time and travel time) that does not continue into his or her regularly scheduled workday. In addition, a meal allowance will be provided every five hours of continuous work after the employee has worked the ten hours and 30 minutes, plus a time allowance of one-half hour in order to eat a meal.

A field employee working alone who has not been instructed otherwise may, if he or she has worked two and one half hours or more of extended day overtime under non-emergency conditions, choose to eat a meal either before or after completing work.

In the case of a crew, the employee in charge will make this decision and notify the dispatch office if a meal break is being taken before completing work. An employee may similarly receive a meal allowance if a short-notice call-out has caused the employee to miss his or her usual meal.

(F) **Short Notice Call-Out:** A short-notice call-out occurs if, with less than 12 hours notice, the employee is called out to work. Travel to and from a short-notice call-out which does not extend into the employee's regularly scheduled workday or which occurs on a scheduled day off is considered time worked and is paid. If the call-out extends into the regularly scheduled workday, travel time is not paid unless it is in excess of the employee's

normal home to base commuting time.

If an employee is called out to work during a period not immediately preceding his or her scheduled workday, and is released from such duty prior to the commencement of his or her regularly scheduled workday, or is called out on his or her scheduled day off without having received at least 12 hours' notice prior to such call-out, the following shall apply:

(1) His or her travel time to and from work shall be counted as working time.

(2) For such a call-out, he or she shall be assured of receiving not less than two hours' time (working time plus travel time) at overtime pay, except that for a call-out dispatched to him or her on or after 11:00 p.m. and before 6:00 a.m., he or she shall be assured of receiving not less than four hours' time (working time plus travel time) at overtime pay.

(3) An employee who accepts such a call-out that is subsequently canceled before he or she leaves his or her home, shall receive the minimum overtime payment he or she would have been entitled to receive had the employee actually reported to work.

The four-hour minimum overtime guarantee period (working time plus travel time) for employees working swing shift or graveyard shift is 2:00 a.m. to 9:00 a.m. for swing shifts and 10:00 a.m. to 5:00 p.m. for graveyard shifts in lieu of the four-hour minimum overtime period between 11:00 p.m. and 6:00 a.m.

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Section 4.2

When an employee has returned home after completion of a short-notice call-out, or has had a call-out canceled as provided above, and is called out again on a short-notice basis within the period for which he or she is guaranteed pay as defined above (two or four hours), the employee shall be assured of receiving not less than the appropriate minimum pay period guarantee (two or four hours) from the time of the last call-out. In no event, however, will short-notice call-out guarantees be compounded.

Employees who use their personal cars, trucks, or motorcycles to report to the job or to their base location on a short-notice call-out that does not extend into the regularly scheduled workday shall be allowed 36.5 cents per mile per round trip of up to 60 miles, and the existing casual mileage rate per mile thereafter, subject to a minimum reimbursement of \$5 per calendar day of such use (only one daily allowance for a single call-out that overlaps two calendar days). If the casual mileage rate is increased or decreased due to IRS changes, the prevailing casual mileage rate shall be used for all mileage driven. A personal car is one that is not a Company vehicle.

(G) Extensive Overtime Work:**i. Twelve-hour Rule**

Under some conditions, an employee may be required to be on duty during an extended interval of time. Time worked includes required standby at the job site, base location, etc., but excludes time spent at home, motel,

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If a minimum overtime guarantee period extends into an employee's regularly scheduled workday, he or she will continue to be paid at the overtime rate in lieu of straight-time pay to the extent necessary to satisfy the two-hour or four-hour minimum overtime guarantee period. The balance of his or her time worked during his or her regularly scheduled workday will be paid at the straight-time rate, except as provided below.

An employee called out on short-notice should be given a rest period of nine or more hours after release from duty if he or she does not have at least five continuous hours off (excluding working time and paid travel time) between: (A) 11:00 p.m. and 6:00 a.m. for day shifts; or (B) 2:00 a.m. and 9:00 a.m. for swing shifts, or (C) 10:00 a.m. and 5:00 p.m. for graveyard shifts.

The following conditions apply:

- Time not worked and not paid as travel on a two- or four-hour minimum is included as time off.
- In the absence of any instructions to the contrary, if the employee does not receive the five-hour rest period, the employee shall not return to the job until a lapse of nine hours, or until the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return voluntarily, overtime for the regular shift shall be waived.
- To the extent the nine hours off the job extends into the employee's regularly scheduled shift, the employee will be paid straight-time rate.

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etc., and time not worked during a two-hour or four-hour call-out minimum. Travel time to and from work is paid if it does not coincide with the regularly scheduled workday. Double the straight-time rate is paid for time worked in excess of 12 continuous hours or 12 cumulative hours occurring at different intervals since the employee's last period of eight or more hours off the job. Double-time payments for time worked continue until a rest period of nine or more continuous hours is achieved.

(1) In calculating the 12 hours toward extensive overtime, all time worked since the last rest period of eight or more hours, including regularly scheduled shifts, time worked on short-notice call-outs, and travel time which does not extend into a regularly scheduled shift, are considered.

(2) A rest period is defined as the lapse of time occurring between being released from duty at the job site or at the base location, plus any paid travel time, and the time of reporting back to work. Paid travel time is not considered as part of the rest period.

A rest period of nine or more continuous hours off the job is required between any period of time worked, as defined above, to avoid accumulation towards 12 cumulative or continuous hours or to stop double-time pay after employee is already in a double-time situation.

A rest period of nine or more continuous hours off the job is required between any period of time worked, as defined above, to stop double-time pay after an

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employee is already in a double-time pay situation for extensive overtime.

Time taken for meals at the job site in conjunction with work is considered working time. Ordinarily, mealtime is not considered working time; however, time is paid for meals eaten at the job site.

In the event that an employee is excused by his or her supervisor from working a portion or all of his or her regularly scheduled workday because the employee has been on an extended overtime assignment, the employee shall be paid at the straight-time rate for any such regular hours that are not worked.

The extent of excused time shall be determined by the mutual agreement of the employee and his or her supervisor after discussion of the work requirements of the job and the physical condition of the employee. If a dispute occurs, the decision of the supervisor shall stand at the time, but shall be subject to the grievance procedure in those cases where the employee believes the extent of excused time to have been insufficient because of his or her physical condition.

In the absence of any instructions to the contrary, after the extensive overtime work assignment is over, the employee shall not return to the job until a lapse of nine hours or the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return sooner voluntarily, double-time payment shall be waived for all time worked after he or she returns.

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Sections 4.2 - 4.3

opportunity to quit work before 8 hours if they wish to do so.

(2) Useful work shall be assigned to those who wish to continue working, to the extent practicable.

(3) If no useful work can practicably be assigned, the remaining employees shall be released. Paid "standby" is used only to the extent that the Company may decide it is needed to cover emergency needs.

If a planned call-out is canceled with less than 10 hours' notice, the affected employees shall receive two hours' overtime pay, whether or not they report to work at the previously established time of the planned call-out.

4.3 - Premiums

All premium rates listed shall be adjusted 3.5% effective October 1, 2008, 3.5% effective October 1, 2009, and 3.5% effective October 1, 2010.

(A) **General Statement:** Employees who are scheduled and who work on the swing shift shall receive premium pay at the rate of \$1.19 per hour worked on such shift. Employees who are scheduled and who work on the graveyard shift shall receive premium pay at the rate of \$1.52 per hour worked on such shift. A scheduled shift is one that is part of the 40-hour workweek (including holidays that fall within an employee's 40-hour workweek). Employees who are scheduled to work and who work a combination of a regular eight-hour day and a swing or graveyard shift during a scheduled workweek

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II. Consecutive-Day Rule

When an employee works for seven consecutive days, all time worked on the seventh day and all succeeding scheduled days off without a full day off, will be paid at double-time rates. This section covers full days and call-outs for partial days.

For purposes of determining eligibility under the Consecutive-Day Rule, days not worked, including paid and unpaid time, are not considered.

Employees who trade with other employees and thereby work on their scheduled days off, shall not be entitled to the double-time premium hereunder. Time worked on a traded day will not count toward eligibility for double-time pay under this section unless the traded day becomes a mandatory workday.

(H) **Emergency Postponement of Lunch Periods:** Operating emergencies may force unusually long postponement of the lunch period. In such cases, the Company will comply with applicable state and federal laws.

(I) **Planned Call-Out Policy:** When an "8-hour" call-out is offered to employees on a holiday or on a scheduled day off, it is the Company's expectation and intent to provide 8 hours of work if such work is available. If during the day in question it develops that there is not enough work for everyone, the following procedure shall be followed, in sequence:

(1) Employees who call in shall be offered the

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of seven days shall receive triple the applicable premium rates herein and in paragraphs (C) and (D). The foregoing premium rates do not apply to temporary and part-time employees.

(B) Definition of Shifts:

(1) **Swing Shift:** All shifts beginning on or after 12:00 p.m. but before 8:00 p.m. and all shifts beginning on or after 4:00 a.m. but before 8:00 a.m. shall be considered swing shifts.

(2) **Graveyard Shift:** All shifts beginning on or after 8:00 p.m. but before 4:00 a.m. shall be considered graveyard shifts.

(C) **Split Days Off:** Any full-time employee whose regular straight-time schedule for the workweek provides a day off that is not directly preceded or followed by another day off (whether or not within the same workweek) shall receive premium pay at the rate of 55 cents per hour for work performed on such schedule throughout the week. An employee on such a schedule who has a scheduled day off on Tuesday, Wednesday, or Thursday, or an employee who works a six-day schedule with two scheduled half-days off, shall receive premium pay at the rate of \$1.31 per hour for work performed on such schedule throughout the week.

(D) **Sunday Work:** Employees who are scheduled and who work on Sunday shall receive premium pay at the rate of \$2.86 per hour worked on such schedule. Employees who are scheduled and who work on the

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swing shift or the graveyard shift on Sunday shall receive shift premiums in addition to the Sunday premium.

(E) On-Call Pay: Employees who serve on on-call assignments must stay within 30 minutes' driving time of the employee's base location during the period of the on-call assignment. The employee has the responsibility of ensuring that his or her communications equipment (telephone, pager, radio) is working properly and to have such equipment at his or her disposal at all times during the on-call period. The employee shall immediately notify the Company of any malfunctioning communications equipment and agree upon an alternative means of contact. By mutual agreement between the Company and the Union, alternative residency requirements for on-call employees may be established with regards to the "30 minute rule".

Employees who serve on a week-long, on-call assignment during off-duty hours as a job requirement shall receive a premium of \$144 above their regular weekly rate for each week of such assignment and \$147 for a week-long, on-call assignment which includes a holiday. Employees who serve on weekend and holiday on-call assignments shall receive a premium above their regular weekly rate of \$81 for an ordinary weekend; \$109 for a weekend preceded or followed by a holiday; and \$55 for a holiday alone. Such premium shall be paid for the workweek that includes all or most of the time of the on-call assignment. Furthermore, for each on-call holiday on which the employee is not called out, an additional

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imposed whenever insufficient numbers of volunteers are available.

If an employee, in order to cover a potential emergency situation, (1) is assigned overnight to a specific motel or hotel away from home and is required to remain at that location to await possible calls to active work; and (2) within a period of 24 hours following the start of such assignments does not accrue overtime for paid travel time and working time of at least 8 hours, the Company shall grant such employee additional overtime pay up to a total of 8 hours. If the assignments continue beyond 24 hours, the employee will in the same manner be assured of receiving at least 8 hours' overtime pay for each 24 hours of the assignment, with prorated payments calculated to the nearest even hour for additional periods of less than 24 hours.

The employee shall also receive On-Call Pay according to the length of his or her assignment, in proportion to the On-Call premiums specified in this Section.

(F) Bilingual Premium: Employees who are qualified in a second language and are assigned bilingual contact responsibilities with customers, and the position is identified in the System Wide Bid book as "bilingual", shall receive a premium of 58 cents per hour.

Once assigned, employees with bilingual responsibilities may not voluntarily transfer to

premium of \$42 shall be paid. On-call assignments of less than one week include all time after the close of work on the preceding workday to the start of work on the following workday.

If on-call assignments are established in additional groups that do not have such assignments as of the effective date of this Agreement, employees who are regular incumbents in the jobs affected shall have the right to refuse such assignments unless they have first been negotiated with the Union. It is understood, however, that on-call assignments may be required of employees who have been informed of the requirement prior to entering the job on a regular basis.

Except where only two qualified employees are based in the area, on-call assignments shall be made no more frequently than once every third week to any one employee, except for necessary trading off for vacations, illness, etc., or for more frequent assignments that are strictly voluntary. In a few isolated locations having only two qualified employees (in or out of the bargaining unit), on-call assignments are rotated between those two. After on-call assignments have been established in a particular group, such assignments may be filled on a voluntary basis by mutual agreement in Shop Committee, as long as sufficient numbers of volunteers are available. Such arrangements, however, do not remove the normal requirement that the employee is subject to on-call if needed. Mandatory on-call in accordance with the provisions of this section shall be

available non-bilingual positions within the job progression for one year.

4.4 - Benefits

(A) Vacation:

i. Vacation Allowance

Paid vacation is as follows: a regular employee who completes his or her first year of service shall be entitled to vacation pay in accordance with the following table:

Month of Employment Days of Vacation

January and February	10
March	9
April	8
May	7
June	6
July	5
August	4
September	3
October	2
November	1
December	0

In and following the subsequent calendar year, two calendar weeks or 80 hours per year. In the calendar year in which the sixth year of service is completed and each calendar year thereafter — three calendar weeks or 120 hours per year. In the calendar year in which the 15th year of service is completed and each calendar year thereafter — four calendar weeks or 160 hours. In

the calendar year in which the 24th year of service is completed and each calendar year thereafter — five calendar weeks or 200 hours. In the calendar year in which the 32nd year of service is completed and each calendar year thereafter — six calendar weeks or 240 hours. Service years are completed service with the Company, running from the day, month and year recorded as the official date of the employee's entry into such service.

In the calendar year in which the fifth year of service is completed and in each fifth year thereafter, a service anniversary vacation allowance of one calendar week or 40 hours shall be granted in addition to the employee's regular vacation allowance for that year.

If an employee returns after July 1 from a continuous absence from work of six months or more, the employee's vacation allowance for that year shall be reduced by one-sixth for each month or fraction thereof between July 1 and the date of the employee's return. Such reduction shall be calculated to the nearest full workday. Such reduction shall count toward the requirement set forth in the following paragraphs covering Conditions Governing Vacation Allowance that an employee must take a vacation of at least one workweek each year. If the employee already has had a vacation in the current calendar year, no reduction shall be applied in the following year.

II. Conditions Governing Vacation Allowance

Insofar as possible, vacations shall be scheduled on a

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vacation allowance that may be carried over from one year to the next is three calendar weeks or 120 hours plus any odd hours less than one day. Holiday credits earned during the year will not be counted in calculating the 120-hour maximum that may be carried over. Unused holiday credits are carried over to the next year and remain holiday credits until used or cashed out when employee terminates or leaves the Company voluntarily.

Should a recognized holiday, as provided herein, coincide with an employee's scheduled vacation time, equivalent time will be added to the employee's vacation allowance. However, in order to grant prime vacation time to the maximum number of employees consistent with Company needs, vacation periods may be assigned in even workweek units. Should an employee be left with an odd day or two of vacation because of this requirement, he or she may to the extent necessary exceed the maximum accumulation of vacation at the end of that year upon application to the employee's supervisor.

Should an employee be off sick on his or her scheduled vacation time, the employee will be permitted to change his or her vacation to a subsequent date, which will not conflict with another employee's vacation. Any employee who shall become ill during his or her vacation period may be permitted to cancel the remaining period of such vacation and reschedule it for a date subsequent to the employee's return to duty and for a period which will not conflict with another employee's vacation; provided that such employee shall

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voluntary basis with respect to the normal choice of the employee and the operating necessity as determined by the Company. Vacation shall be scheduled in accordance with Company needs at any time during the calendar year. When convenient to the Company, an employee may schedule his or her current year's vacation to include the final week of the year, or to overlap into the following calendar year, providing the first day of such vacation is December 31 or earlier. An active employee may schedule the following year's vacation to begin on the first workday of the new year unless he or she is off without pay (or with pay for other than scheduled vacation) at the end of the year. Subject to operating needs, such vacation may coincide with the previous year's allowance. However, an employee must work at least one day in the new year following an absence for reasons other than prior scheduled vacation before being entitled to the new year's Vacation Allowance.

Vacations are scheduled in minimum increments of whole days. Use of vacation allowances in one-hour increments may be authorized up to a maximum of the total scheduled shift for eight (8) and ten (10) hour schedules, when operating necessity permits, at the request of the employee or for Personal Business reasons when the Personal Business allowance is depleted.

Employees who take a vacation of at least one workweek may add the remainder to their vacation in a later year; provided, however, that the maximum

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notify the appropriate supervisor of the situation at the onset of the illness and shall present appropriate written evidence of such illness upon return to duty.

An employee whose service terminates after the completion of his or her first year of service shall receive payment for any portion of his or her first year's vacation allowance that has not been used plus one-twelfth of the employee's second year's vacation allowance for each completed month of service in the employee's second service year. An employee whose service terminates after the completion of his or her second year of service, or who terminates on or after July 1 in any subsequent calendar year, shall receive payment for any portion of his or her vacation allowance that has not been used. An employee who terminates before July 1 in the calendar year in which he or she completes or would complete his or her third or subsequent year of service shall be eligible for one-sixth of his or her current annual vacation allowance for each completed month of service in the calendar year. If, at the time of termination, an employee already has taken more of his or her vacation than the applicable prorated allowance provided above, the employee's final paycheck shall be reduced accordingly, unless such used vacation was completed two weeks or more prior to the last day of work.

III. Vacation Periods

Vacation periods shall be assigned to employees in strict seniority order. However, in order to assure seniority preference for their entire vacation period, employees

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who have accumulated extra vacation must declare their intention to use it by February 1. Employees who split their vacations shall have only one seniority preference, except that seniority preference may be applied to any remaining unscheduled vacation time after all other employees in the scheduling group have expressed their first preference.

With the exception of those employees who change jobs or work locations under Article V, (Position Opportunity System) employees may carry with them one vacation period (consecutive days) of their choice which had already been approved and scheduled prior to the move.

IV. Buy or Sell Vacation Policy

Represented employees have the option to buy or sell vacation as follows:

- Employees may purchase or sell up to 40 hours of vacation in 8-hour increments.
- Any purchased vacation is used last.
- Any purchased vacation not used or pre-posted by the last pay period of any given year, will be paid out in the last paycheck of the year.
- Annual base pay as of August 31 is used to calculate purchased or sold vacation. (This date is currently used, and may be changed in future years to accommodate administrative requirements.)
- The election to buy or sell occurs annually and only

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illness of the employee's spouse, child, or parent as those terms are defined in California law. The Company reserves the right to verify the illness of an employee's spouse child or parent according to California law.

Employees may use their Short-term Annual Accrued Sickness Allowance for their own medical and dental appointments, without it counting as an occurrence.

Unused Short-term Annual Accrued Sickness Allowance at the end of a calendar year will become part of the Extended-term Paid Sickness Leave beginning the following calendar year.

Definition of Short-term Annual Accrued Sickness Allowance: any illness that is 3 days (24 hours) or less.

Extended-term Paid Sickness Leave:

2009 is a transition year, and 2009 sickness allowances remain unchanged. Employees on long-term disability as of 1/1/09, who return to work after 1/1/09 and beyond, will receive the same one-time transition allotment of Extended-term Paid Sickness Leave. The one-time transition allotment will be based on the amount of Extended-term Paid Sickness Leave they would have been afforded in 2009 had they been at work in 2009.

Effective 1/1/10, Extended-term Paid Sickness Leave accumulates annually from any unused Short-term Annual Accrued Sickness Allowance from the prior

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during open enrollment. Purchased vacation is paid for by payroll deduction. Sold vacation less than 40 hours is paid in one lump sum. If the employee chooses to sell 40 hours of vacation, they have the option of receiving the payment in a lump sum, or over 24 pay periods.

(B) Sickness Allowance:

Short-term Annual Accrued Sickness Allowance:

2009 is a transition year, and 2009 sickness allowances remain unchanged.

Effective 1/1/10, employees in active service who have completed six months or more of regular employment shall receive the following accrual of short-term annual sickness allowance when absent due to sickness or injury:

Completed service by end of calendar year in which disability begins	Full pay allowance after the first six months of service for the following number of days or calendar weeks during any calendar year	
	Calendar Weeks or Working Days	Equivalent or Working Hours
6 months	1 week	40 hours
1 year or more	2 weeks	80 hours

Completed service with the Company runs from the day, month, and year recorded as the official date of the employee's entry into such service.

Fifty percent of an employee's short-term annual accrued sickness allowance may be used to attend to an

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year and any unused Extended-term Paid Sickness Leave (as well as any unused bonus allowance from 2009).

Effective 1/1/10, only employees with 20 or more years of service on 1/1/09 will have added to their Extended-term Paid Sickness Leave, one additional week each year. Employees who attain 20 years of service after 1/1/09 are not eligible for the additional week of Extended-term Paid Sickness Leave each year.

An employee's Extended Term Paid Sickness Leave is not an annual accrual and is not subject to use for spouse, child or parent.

Any employee whose Extended-term Paid Sickness Leave has been exhausted may elect to apply unused Short-term Annual Accrued Sickness Allowance to his or her extended sick leave allowance. The option to retain Short-term Annual Accrued Sickness Allowance does not apply when eligible employees transfer to Long Term Disability.

Sickness Allowance shall not be paid by the Company for time lost by an employee due to occupational injuries or disabilities arising out of or in the course of any gainful employment with an established employer other than the Company, subject to the California Workers' Compensation Law.

Good attendance awards are available for all regular full-time employees. Employees who have

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perfect attendance for a full calendar year shall receive a \$100 gift card. Employees with 24 hours or less of illness or injury related absence in a calendar year will receive a \$50 gift card.

Conditions Governing Sickness Allowance:

An employee who is unable to work due to sickness is required to notify his or her supervisor, or someone designated to receive such notice, as promptly as possible. In a line of work in which a substitute must be secured for each absent employee, the supervisor in charge shall determine and post the time and conditions under which advance notice of absence due to sickness shall be furnished. Notice of absence due to sickness may be given personally by the employee or through another person. When notice is not provided, Sickness Allowance shall be paid only when the disability is verified by a physician, and when the employee furnishes evidence that circumstances beyond his or her control prevented giving notice.

The Company reserves the right to verify the disability of any employee through its own medical staff or by requiring a doctor's certificate in connection with the payment of Sickness Allowance or Disability Benefits. With the exception of employees who have open workers' compensation cases, and thus recourse through an Agreed Medical Examiner, when there is a disagreement between the employee's medical doctor or psychiatrist and the Company medical staff regarding whether the employee is medically able to work, a third doctor shall be

randomly selected from a list provided by the Los Angeles County Medical Association. The list shall include six general practitioner M.D.s and six specialists in each major specialty category, and random selection shall be through the Disability Management Services.

If the Company medical staff's decision is upheld, the employee shall pay the full cost of obtaining the third opinion and no Sickness Allowance nor Disability Benefits will be granted. If the employee's doctor's opinion is upheld, the Company will pay for the third opinion and transportation costs and will grant Sickness Allowance/Disability Benefits (if available) for the actual time of illness. Upon returning to work from a disability, an employee will receive the allowance he or she would be entitled to for the current year. Such an employee who returns to work, but then must leave work within a period of 180 days for reasons related to the original disability, will be immediately reinstated to the disability payroll without benefit of any sickness or vacation allowance. Such an employee who is assigned to light duty without change in classification, but is returned to disability because of lack of light duty work, shall not be eligible for a new annual Sickness Allowance but shall be eligible for a Vacation Allowance in the new calendar year.

For retirements on or after 12/1/09, the value of a portion of unused sickness allowances will be credited to a Health Reimbursement Account at retirement, as outlined in Appendix F. Employees will only be required to exhaust their current sick

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time and 50% of their extended sick time before moving to the LTD plan. Employees who want to exhaust more than 50% of their accumulated Extended-Term Sickness Allowance will need to notify the Company. The Company will notify the employee of this option when they approach the 50% threshold.

In order to be eligible for benefits under the Long Term Disability Plan (Appendix G), employees will be required to exhaust their Short-term Annual Accrued Sickness Allowance, 50% of their Extended-term Paid Sickness Leave, and all extension of Extended-term Paid Sickness Leave due to integration with state disability insurance or workers' compensation (if any). Upon notification to the Company, employees will have the option to access the remaining 50% of their Extended-term Paid Sickness Leave.

Any employee whose Sickness Allowance has been exhausted under the terms above, may elect to apply unused Vacation Allowance, including any holiday credits earned under the provisions of Section (E) (Holidays) below, for which he or she was eligible at the commencement of his or her absence, for additional absence on account of sickness or injury. If sufficient unused Vacation Allowance is available, the waiting period of 28 or 60 calendar days (based on the employee's individual benefit selection made during open enrollment) prior to the effective date of Disability Benefits under the Long Term Disability Plan

(Appendix G) may be extended until the first day after all or any part of such Vacation Allowance has been used.

Catastrophic Sickness Allowance

Effective 1/1/10, a Catastrophic Sickness Allowance will be established for employees in active service who were hired on or before 2/25/09, in addition to all their other sick leave. Employees hired after 2/25/09 will not be eligible for the Catastrophic Sickness Allowance.

For eligible employees*, the Catastrophic Sickness Allowance will be based on completed years of service by the end of the calendar year in which the disability begins as follows:

Years of Service	Catastrophic Sickness Allowance Hours
3	40
4	40
5	80
6	120
7	160
8	200
9	240
10+	280

* Effective January 1, 2010, part-time employees who were hired on or before February 25, 2009, who subsequently move to a full-time position will be eligible for the catastrophic sickness allowance after completion of three years or more of regular employment. Part-time employees hired after February 25, 2009, who subsequently move to a full-time position, will not be eligible for the catastrophic sickness allowance. Also, see part-time Letter Agreement on page 196.

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The Catastrophic Sickness Allowance will be replenished at the beginning of each calendar year.

To access the Catastrophic Sickness Allowance, 100% of all available Short-term Annual Accrued Sickness Allowance and 100% of all available Extended-term Paid Sickness Leave (including any extension of Extended-term Paid Sickness Leave due to integration with state disability insurance or workers' compensation) must be exhausted. The option of using only 50% of Extended-term Paid Sickness Leave does not apply.

The Catastrophic Sickness Allowance will be available for a disabling medical condition that lasts more than 14 continuous calendar days. Employees must wait 14 continuous calendar days following the exhaustion of all available sick time before accessing the Catastrophic Sickness Allowance. This 14-day waiting period will be without pay, unless the employee chooses to use vacation or holiday credits.

The Catastrophic Sickness Allowance can only be used to carry the employee through the Long term Disability Plan waiting period chosen by the employee during annual open enrollment.

An employee who returns to work after accessing the Catastrophic Sickness Allowance, but then must leave work within 14 continuous calendar days for reasons related to the original disability, will be allowed to immediately access any unused

Catastrophic Sickness Allowance, without a new waiting period.

Access to available Catastrophic Sickness Allowance hours will be facilitated through Disability Management Services, in conjunction with the employee's healthcare provider.

Use of the Catastrophic Sickness Allowance will be governed by existing provisions contained in Section 4.4 (B).

The Catastrophic Sickness Allowance is not eligible for the HRA.

(C) Industrial Accident Allowances:

Any regular employee who has completed six months of service and who is injured in an accident under which he or she is entitled to the benefits of the California Workers' Compensation Law shall have his or her compensation payments supplemented by the unused Sickness Allowance provided by Section (B) (Sickness Allowance) above, in the following manner: his or her current unused Sickness Allowance at the onset of the industrial disability figured in dollars shall be available to raise his or her total payments to equal straight-time pay for the scheduled working hours until such Sickness Allowance shall have been exhausted. If sufficient unused Sickness Allowance is available, the waiting period of 28 or 60 calendar days prior to the effective date of Disability Benefits under the Long Term Disability Plan

(Appendix G) shall be extended until the day that such Sickness Allowance is depleted to the point that it produces a lower benefit than the employee is eligible for under the Long Term Disability Plan (Appendix G). After a portion of the employee's Sickness Allowance has been used as provided for above in case of industrial disability, any remaining portion of his or her Sickness Allowance figured in dollars shall be available for application in subsequent cases of sickness or industrial injury.

Unused Vacation Allowance may be applied in the same manner, on the basis set forth in Section (B) (Conditions Governing Sickness Allowance), provided that any remaining portion of the Vacation Allowance figured in dollars shall be rounded to the nearest full day and considered to be unused vacation.

(D) Family Care Leave:

Conditions of Leave:

(1) A family care leave of absence without pay may be granted to a full-time employee who has completed six months of employment and who wishes such leave:

- a. for the birth of the employee's child and to care for the newborn child;
- b. for the placement with the employee of a son or daughter in connection with adoption or foster care; or
- c. to care for the employee's spouse, son/daughter (biological, adopted, foster, stepchild, or legal

ward), or parents (biological or viewed as such) with a serious health condition. For the purpose of this policy, a serious health condition means an illness, injury, impairment, or physical or mental condition that requires participation of a family member to provide care during a period of incapacity, treatment or supervision that involves either inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or supervision by a health care provider.

(2) An employee may take up to a maximum of six months unpaid leave within a two calendar year period (24 months). Except that should an employee use more than three months of leave in the first calendar year, the employee will be eligible for an additional 12 weeks of leave at the beginning of the second calendar year under FMLA and CFRA (California Family Rights Act). In order to be considered a leave, an employee's request for absence must be more than three working days.

Such leave may be taken intermittently or on a reduced work schedule subject to the supervisor's concurrence, or as required by applicable federal and state laws.

(3) For purposes of tracking and determining maximum leave, a calendar year shall be used (January through December).

(4) Such leave (or any extension of leave) requires written notice to the Company indicating the length of

time required and expected return to work date of the employee. An employee must provide the Company with at least 30 days advance notice before such leave is to begin if the leave is foreseeable. If 30 days notice is not practical because of medical emergency or a change in circumstances, or the leave is not foreseeable, notice must be as soon as practical.

In the instance where leave involves care of a family member, the Company may require the employee's request be supported by a certification issued by the health care provider.

(5) An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of the twelve-month period beginning on the date of birth or placement.

(6) In the case of a request for intermittent or reduced schedule leave, the Company may temporarily transfer the requesting employee within their present location to an available alternative position of equivalent pay and benefits which the employee qualifies for in order to accommodate the request.

(7) While on leave, employees shall accumulate seniority for the period of such leave if they return to work upon conclusion of the leave.

(8) Employees exercising their right to California Paid Family Leave may, at the employee's option, choose to use available vacation during the initial one (1) week waiting period.

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Arrangements to continue coverage should be made with Employee Benefits as early as possible following approval of leave in order to ensure uninterrupted coverage. Should an employee not return to work from leave, the Company will be entitled to reimbursement for the Company's contribution for medical, dental, vision and basic life insurance premiums paid during the leave. Recovery may be made through deduction from any final pay due the employee.

Use of Paid Absence in Conjunction with Leave:

If a leave request is for intermittent absence or a reduced schedule, an employee may, at the time of departing on leave, use available vacation, holiday credit and personal business allowance to substitute for unpaid leave. Use of such paid time will not extend the duration of the leave period.

If a leave request is for more than ten consecutive working days, employees will be paid for all available vacation at the commencement of such leave in accordance with Section 4.4 (Conditions Governing Vacation Allowance).

Termination:

An employee is subject to termination if the employee:

- (1) misrepresents the reason for a leave;
- (2) engages in other employment while on leave without notifying the Company and receiving prior approval;

Leave Substitution:

Absences taken for a serious health condition will reduce the amount of family care leave for which an employee is eligible except that pregnancy disability shall not reduce leave entitlement under Section 4.4 (D)(1.) a.

Continuation of Benefits During Leave:

(1) Medical, Dental, Vision and Basic Life Insurance:

An employee may elect to continue his or her medical, dental, vision and life insurance coverage at the active employee rate for 12 weeks of such leave. The 12 weeks is reduced by any period of time during the calendar year the employee is absent due to a serious health condition or other family care leave during which the employee was receiving these benefits. If leave continues past 12 weeks, the employee shall be responsible to pay the total costs (employee and Company) of these benefits in order to continue coverage, except as otherwise provided by Company policy.

(2) Employee-Paid Life Insurance and Accidental Death and Dismemberment (AD&D): An employee may elect to continue employee-paid life insurance and AD&D during leave. In which case, the employee will be responsible for the full cost of coverage.

(3) If a leave occurs during the annual open enrollment period, an employee will have the same options that would be available if the employee were on active status.

(3) fails to report to work on or before the expiration of the leave;

(4) fails to obtain a leave extension when additional absence is needed;

(5) fails to provide the Company with necessary health certification.

Return From Leave:

An employee returning from a family care leave shall be returned to his or her regular classification or an equivalent classification at the same location within five working days of notice by the employee. Should an employee determine during the leave that the entire leave period requested will not be needed, the employee must notify the Company and return to work within five working days.

(E) Holidays:

The holidays observed by the Company are:

New Year's Day	Veteran's Day (Nov. 11)
Martin Luther King, Jr.'s Birthday	Thanksgiving Day
Presidents' Day	Day after Thanksgiving Day*
Memorial Day	Day before Christmas
Independence Day	Christmas
Labor Day	

*Consistent with work load and public service requirements, certain employees may be scheduled to work on this day.

The Day before Christmas holiday shall be observed on December 24, except when Christmas is on Sunday or Monday, when it shall be observed on the preceding Friday.

In addition, upon completion of six months of service, each employee shall be eligible for two holiday credits in the current calendar year and in each calendar year thereafter in which the employee is actively at work during some portion of the year.

These holiday credits will be treated as additional earned holiday credits as provided below. By giving his or her supervisor at least two weeks' advance notice, any employee may elect to have one of these holidays on his or her birthday. If the employee's birthday falls on a day off, the employee may specify the workday nearest his or her birthday. If the employee's birthday falls on a single day off, he or she may specify either the workday preceding or the workday following. Employees whose birthday is February 29 shall exercise their holiday option as of February 28. The Company further agrees, with the same advance notice, that it shall make every reasonable effort to allow employees to use their holiday credits to meet a bona fide religious need to take a day off for a religious holiday or function, subject only to the right of the Company to require attendance in an operating emergency.

Employees may be scheduled to work Sundays as part of their regular schedule, where operations or service require the maintenance of such schedules, without becoming eligible for overtime compensation.

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pay at straight-time for each day of unused credit, at the rate in effect at the time of the employee's termination.

(8) The Weekly Rates in Section 4.1 (Pay Structure) include payment for the holidays which occur within the employee's working schedule.

(F) Leaves: Military and Personal

1. Military Leave of Absence

Any regular employee of the Company who enters the armed forces of the United States under the provisions of the Uniform Services Employment and Reemployment Rights Act of 1994 or any amendment thereof shall be subject to the practices outlined in this Section (probationary employees shall be entitled to the benefits provided by law):

(1) Any such regular employee shall automatically receive Leave of Absence for the full period of active duty required, with no impairment of seniority, and with the right to return to work if requested by him or her within the 90 calendar days next following the end of such active duty, provided the Company's circumstances have not so changed as to make such return to work impossible or unreasonable. However, Life Insurance and Disability Insurance Benefits as provided by the Life Insurance Plans and the Disability Benefit Plan shall be suspended during the term of such leave.

(2) The employee shall be entitled to pay for any

(1) If any of the holidays observed by the Company fall on Sunday, it shall be observed on the following Monday.

(2) If an employee works one or more of the recognized holidays on a regular shift, the employee shall receive overtime pay for that day or may elect to have equivalent time off added to his or her holiday credits.

(3) If a holiday falls on Sunday, or if Christmas falls on a Sunday or Monday, and is part of the employee's regular schedule, he or she may elect to receive overtime pay for the actual holiday or to have equivalent time off added to his or her holiday credits. The actual holiday shall be in lieu of the Company-observed holiday and the employee must work the actual holiday.

(4) All time worked after eight hours on a holiday shall be paid at double the straight-time rate.

(5) If a recognized holiday coincides with an employee's scheduled day off, the employee shall have equivalent time off added to his or her holiday credits.

(6) Holidays added to an employee's yearly holiday credits may be taken at any time after the holiday occurs.

(7) If an employee terminates his or her employment before his or her additional earned holiday credits have been used, the employee shall receive one day's

vacation he or she may have coming at the time the employee is called to or volunteers for such active duty and, in addition, will be granted one week's time with pay as a military separation allowance. An employee returning from active duty whose vacation allowance is reduced by one week or more in the calendar year in which he or she returns will be granted one extra week of vacation in the following year.

(3) The following time allowances and Leave of Absence practices shall be observed where employees are called out for short-term encampments, and intensive military training periods of less than one year: employees who are members of the Officers' Reserve, National Guard, Naval Reserve, and like organizations, will be allowed annually, in addition to their regular vacation, one week's time with pay for attendance at encampments or other prescribed training. The one-week allowance may be made in any units of one working day or more that the employee is required to be absent from his or her job. In lieu of such one-week pay allowance, an employee may elect the following alternative, provided such election is made in writing in advance of such leave, and provided further that such election must apply to the entire extent of such leave in that calendar year: For such attendance at encampments of not to exceed two workweeks or ten working days in any one year, the Company will pay such employee the amount, if any, by which the remuneration he or she receives from the Government is less than his or her regular Company pay would have been for the same period. Such items as subsistence, travel,

uniform, and other allowances will not be included in computing the remuneration received from the Government. The Company will require satisfactory evidence of attendance.

If still more time is needed for the Guard or Reserve activities, employees may be allowed time off without pay for attendance, under regularly authorized Leave of Absence.

II. Personal Leave of Absence

Upon written application to his or her supervisor, a regular employee may be granted a leave of absence without pay and without loss of seniority, for a period of 30 calendar days or less for personal reasons other than to work for another employer, provided that adequate arrangements can be made to take care of the employee's duties without undue interference with the normal routine of work as determined by the Company.

Such leave of absence shall become effective on the date and at the time the employee is first absent from work by reason of such leave and shall terminate as of the date and time the employee resumes active work. It shall be understood that during such leave of absence the employee is not carried on the payroll and that he or she will not be paid for any holiday occurring during the leave. However, in cases of leaves of absence granted under this section or for short-term military encampments as described in the above section on Military Leave of Absence, an employee will be granted holiday pay for a holiday

observed on his or her regular working day immediately preceding the employee's return to work. In the event a shortage of work occurs while an employee is on leave of absence, such employee will be considered as if at work, and any necessary reclassification or layoff shall be governed by his or her seniority rights and qualifications as compared with those of all other employees affected. An employee on leave of absence at the time of a layoff for lack of work shall be entitled to rehiring rights as though he or she had been at work at the time of such layoff.

Where an employee does not return to work upon expiration of a Personal Leave of Absence as provided above, the employee's employment is terminated. In such circumstances, where an employee who has completed five or more years of service prior to his or her termination, is unable to return to work because of a severe illness or injury to a member of his or her immediate family, and is re-employed by the Company within one year of the date of his or her termination, the employee shall upon re-employment be credited with the seniority accrued by the employee up to the time of his or her termination. In addition, the employee shall be reinstated with regard to Sickness and Vacation Allowances. The employee's status under the Life Insurance, Disability Benefit, Pension, and Savings Plans shall be determined in accordance with the then existing rules of said Plans.

(G) Personal Emergencies:

(1) Personal Business Time - General

Employees who have completed six months of service may be authorized time off with pay for any legitimate purpose that cannot be attended to during non-working hours and does not unduly interfere with normal operations. It is understood and agreed that an employee shall be required to inform the appropriate supervisor prior to taking the personal business time as to the reason for any absences in order that the Company may determine whether or not pay shall be sustained for all or part of such absences. The number of Personal Business hours for each employee shall be 16 hours per calendar year.

Personal Business will be used for "snow days."

(2) Bereavement/Emergency Illness Time

Employees who have completed six months of service are eligible for Bereavement/Emergency Illness pay. The number of Bereavement/Emergency Illness hours for each employee shall be up to 24 hours per occurrence with a maximum of 48 hours per calendar year.

Pay is sustained for death of a member of the employee's immediate family or the immediate family of the employee's spouse. For Bereavement/Emergency Illness pay purposes, immediate family includes: employee's spouse, child, parent, brother, sister, grandparent or grandchild. Also included are legally

declared relationships such as adopted or step relatives in the immediate family or the spouse's immediate family as defined above. For the purpose of this Section, the term "spouse" shall include domestic partner.

Emergency illness is defined as a life-threatening event of sudden onset requiring hospitalization or deterioration of an existing condition where, in either case, death appears imminent.

Pay is sustained to enable the employee to be with a family member or the family of the employee's spouse during an emergency illness where death appears imminent.

Verification of death or illness of family member may be requested by supervision.

Attendance at scheduled or non-emergency surgery where death is not probable or illness not of the nature defined above does not qualify for Emergency Illness time-off. These may be chargeable to Personal Business time-off.

(H) Jury Duty:

Employees shall be granted time off with pay for one period of jury duty service once every three years.

(I) Patents:

An employee is required to notify and disclose to the Human Resources Department in writing all inventions or improvements made or conceived by him or her during his or her employment relating to any phase of the

Company's work or investigations, before filing any patent applications relating to such inventions and improvements. Promptly following such notification and disclosure, the Company shall advise the employee of its decision as to one of the following courses of action, provided that it determines that public disclosure of such inventions or improvements will not do harm to the Company nor reveal important confidential information:

- (1) The Company will give the employee a written release as to all rights in the inventions or improvements; or
- (2) The Company will give the employee a written release as to all rights in the inventions or improvements, subject to retention of shop rights by the Company; or
- (3) The Company will pay the costs of filing a patent application in the United States relating to the inventions or improvements and will pay the costs of prosecution of such patent application before the primary examiner in the Patent Office but shall not be obligated to pay costs for appeals nor interferences. The employee may take over prosecution of the application at any time upon 30 days written notice to the Company, and at his or her own expense. The Company retains a royalty-free, paid up, nonexclusive license, and the employee is free to exploit the patent and the inventions and improvements subject to such license.

No provision of this Agreement is intended to require

assignment of any of the employee's rights in an invention if no equipment, supplies, facilities or trade secret information of the Company was used, and the invention was developed entirely on the employee's own time; and the invention does not relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or does not result from any work performed by the employee for the Company.

(J) Employee's Personal Vehicle Insurance:

With respect to the employee's use of his or her personal vehicle on Company business, the Company agrees to indemnify the employee for liability loss not covered by personal insurance and for physical damage to the employee's vehicle within the insurance deductible or in excess of coverage but not to exceed \$500. Liability indemnification is contingent upon an employee having a valid policy of liability insurance for the vehicle. In no event shall the Company provide any indemnification or pay for any damage to the employee's vehicle if the Company ascertains that the employee:

- (1) Has been driving while under the influence of alcohol or any other drug or substance which can impair his or her ability to drive.
- (2) Has been driving recklessly.
- (3) Has willfully caused the damage or liability.

The Company will use the IRS standard mileage reimbursement rate to reimburse employees for

company business miles.

4.5 - Special Provisions

(A) Uniforms: To provide uniform appearance and ready identification, certain employees shall wear uniforms prescribed by the Company while performing their work. These uniforms shall be worn only in the course of the performance of this work, including related wear to and from the employee's home. The uniforms will consist of shirts and trousers for employees regularly performing this work and shirts for employees temporarily performing it. Uniform jackets will also be worn as required for employee comfort. The shirts and jackets will bear Company emblems.

The Company will provide sets of uniforms in appropriate quantities to the employees assigned this work as a part of their regular duties. Shirts in appropriate quantities and a jacket if required for employee comfort will be provided to employees assigned this work on a temporary basis.

Employees provided uniforms will maintain them in a manner consistent with appropriate grooming for the work being performed, and will not allow them to be worn by anyone else.

Uniforms provided by the Company will be returned when replaced by the Company and when they are no longer required in the course of the employee's work assignments.

When purchasing uniforms for Meter Readers, walking

shorts may be substituted for pants unless the supervisor believes such attire is a safety hazard. The decision of the supervisor will not be subject to arbitration.

The following classifications will be furnished uniforms suitable for work in which they are engaged:

Commercial Service Technician	Lead Construction Technician
Construction Technician	Lead Electrician
Electronic Energy Meas Tech	Lead Facilities Mechanic
Energy Technician Distribution	Lead Field Collector
Energy Technician Residential	Lead Fleet Technician
Facilities Mechanic	Lead Meter Mechanic
Facilities Helper	Lead Meter & Regulator Technician
Field Collector	Logistic Representative
Field Planning Associate	Measurement Electronics Tech
Field Service Assistant	Meter Reader
Field Technician	Meter Reader Technician
Fleet Assistant	Meter & Regulator Technician #1
Fleet Technician	Meter & Regulator Technician #2
Industrial Service Technician	NGV Station Technician
Journey Electrician	Transportation Logistics Rep
Journey Facilities Mechanic	

The following classifications will be furnished jackets:

Asst Telecommunication Tech	Lead Meter & Regulator Technician
Construction Technician	Lead System Protection Specialist
Energy Technician Distribution	Meter & Regulator Technician #1
Energy Technician Residential	Meter & Regulator Technician #2
Field Collector	Meter Reader Technician
Field Technician	NGV Station Technician
Field Service Assistant	Senior Telecommunication Tech
Lead Construction Technician	System Protection Specialist
Lead Field Collector	Telecommunication Technician

The following classifications will be furnished uniforms when they are regularly assigned to perform leak

surveys or take Cathodic protection readings on private property:

Lead Planning Associate	Planning Associate
Lead System Protection Specialist	System Protection Specialist
Pipeline Planning Assistant	

(B) Coveralls: In general the Company will not undertake to furnish working clothes to employees, but the Company will provide coveralls for employees whose duties are such that it is impracticable for them to keep their clothing neat and clean and who come in contact with the Company's customers or with the public while performing such duties.

Eligibility for Coveralls: Three classes of employees will be furnished with coveralls, viz.:

- (1) Employees who regularly use them and who leave them in their lockers, etc., at the end of the day.
- (2) Employees who occasionally require coveralls and who keep them available for use in vehicles driven by them in the performance of their duties.
- (3) Employees whose normal duties do not require them to use coveralls but who, on occasion, perform a job for which the use of coveralls is authorized and who are permitted to use them on each such specific job. These coveralls are to be returned promptly upon the completion of each job.

Coveralls for Regular Use: Employees in the following classifications will be regularly supplied with coveralls,

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and, unless they go directly from home to a field job, will not take them home at night. Employees who go directly from home to the job site will be permitted to take coveralls home with them provided that they do not use them except on Company business.

Construction Technician	Mechanic #2
Field Service Assistant	Meter & Regulator Tech #1
Field Technician	Meter & Regulator Tech #2
Fleet Assistant	Pipeline Technician
Fleet Technician	Senior Instrument Specialist
Instrument Shop Mechanic #1	Station Maintenance Specialist
Instrument Shop Mechanic #2	Station Operations Specialist
Lead Construction Technician	Station Technician
Lead Fleet Technician	Systems Protection Specialist
Lead Instrument Shop Mechanic	Transmission Pipeline Specialist
Lead Meter & Regulator Tech	Transmission Welding Specialist
Lead System Protection Spec	

Coveralls for Intermittent Use: Employees in the following classifications will be issued coveralls and may carry them in vehicles driven by them for use when the occasion warrants:

Commercial Service Technician	Energy Technician Distribution
Energy Technician Residential	Field Collector
Field Technician	Gas Storage Specialist
Instrument Specialist	Laboratory Assistant
Lead Laboratory Technician	Laboratory Technician
Lead Field Collector	Measurement Specialist

Coveralls for Unusual Jobs: Employees whose normal duties do not require them to use coveralls, such as station personnel and office workers, may obtain

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coveralls for use on a specific job which is of short duration and which involves undue soiling of regular clothes worn by such employees. For example, if such employees are required to inspect vaults, or assist employees working in a classification normally assigned coveralls, they may, upon approval of an authorized supervisor, obtain coveralls for the period of the assignment. Senior Logistics Representative and Logistics Representative may obtain coveralls for "night loading" operations without specific authorization from a supervisor.

(C) Jackets: The Company will provide winter jackets for employees located at the following bases: Rlm Forest, Beaumont, Lancaster, and Yucca Valley. The Company will also provide extra jackets for use by employees working temporarily at these locations. In addition, jackets will be provided and maintained at the Bakersfield Base for use at mountainous areas and at times of extremely cold weather.

In addition, each employee holding the regular classification of Transmission Technician, Storage Specialty at Aliso Canyon and Honor Rancho Underground Storage Field will be assigned one (1) parka-type jacket. Furthermore, parkas will be provided and maintained at Transmission bases for employees who are required to work in extremely cold weather. Management will determine the bases which meet the cold weather criterion and the number of parkas assigned to each base.

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(D) Footwear: Qualifying positions that require construction quality boots that provide ankle protection will be paid a yearly allowance of \$85.00 during the second pay period in July.

The allowance is limited to those qualifying employees who are on the active payroll as of the first day of the pay period in which the allowance is to be paid.

Employees in the following classifications are eligible for the yearly footwear allowance:

Assistant Telecom Technician	Journey Electrician	NGV Station Technician
Base Assistant-3	Journey Machinist	Pipeline Planning Asst
Cathodic Protection Specialist	Jrny Sheet Metal Mech	Pipeline Technician
Commercial Services Tech	Journey Welder	Planning Associate
Commerce Storeroom Keeper	Laboratory Assistant	Repair Shop Mech #1
Construction Technician	Laboratory Technician	Sr Instrument Spec
Electronics Energy Meas Tech	Ld Construction Tech	Sr Telecom Technician
Energy Tech Residential	Ld Facilities Mechanic	Station Maint Specialist
Energy Tech - Distribution	Ld Fleet Technician	Station Operations Spec
Fabrication Shop Mech #1	Ld Lab Technician	Station Technician
Facilities Helper	Ld Machinist	Sys Proton Specialist
Facilities Mechanic	Ld Meter & Reg Tech	Sys Proton Technician
Field Planning Associate	Ld Planning Assoc	Sys Proton Planner
Fleet Assistant	Ld Repair Shop Mech	Telecom Technician
Fleet Technician	Ld Sys Protect Spec	Trans Pipeline Specialist
Gas Storage Specialist	Measurement Spec	Trans Welding Specialist
Industrial Services Technician	Mtr & Reg Tech #1	
Instrument Specialist	Mtr & Reg Tech #2	

(E) Moving Expense: It is understood and agreed that reasonable moving expenses, limited to the actual cost of transporting furniture and subject to approval in advance by the Company, shall be paid by the Company only under the following circumstances:

- (1) When an employee is transferred from one Region to another solely for the convenience of the Company. In such cases, if it is impossible to give such employee

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notice of the proposed transfer to permit him or her to arrange in advance for a place to live convenient to the Region to which he or she is transferred, he or she shall be given such board and lodging allowance as may be mutually agreed to in each case.

(2) When an employee who is transferred as a result of a layoff under the provisions of Section 7.1 (Seniority in Layoff) moves to a residence at least ten miles closer to his or her new work location, provided that none of the options available to the employee under Article VII would provide the employee an equivalent or higher classified job within the same work location, or an equivalent or higher classified job outside his or her work location that is within twenty miles of his or her then existing work location.

(3) To be eligible for reimbursement for moving expenses under the provisions of this Section, the employee must move his or her residence within three months following his or her transfer; except that upon written notification to his or her supervisor or to the Human Resources Department within this three-month period he or she may secure an extension of the time limit to six months following his or her transfer. Beyond this, the Company may grant a reasonable further extension of time to an employee who is attempting to arrange a move but encounters delays beyond his or her control.

(F) **Overnight Expense:** In the case of a Company-ordered temporary transfer where the job location makes

Sections 4.5 - 5.3

available to employees in advance.

(2) Schedules shall be limited to the 40-hour week and eight-hour day except when the excess time worked is paid at the overtime rate.

(3) Modification of schedules is restricted to definite work requirements.

(4) When in the judgment of the Company it is practicable to do so, work schedules providing optional starting and quitting times will be offered to employees in certain working groups and shall be chosen by qualified employees in seniority order.

5.2 – Workday and Workweek

All hours worked beyond 40 straight-time hours in any workweek of seven calendar days and beyond eight straight-time hours in any calendar day shall be paid at time and one-half; provided, however, that all work performed consecutively beyond eight straight-time hours, whether or not within a single workday, shall be paid at time and one-half.

5.3 – Modification of Schedules

As general policy, work schedules shall be changed on short notice only when unavoidable and only when required to meet operating and other bona fide Company requirements. Additional hours worked before or after an employee's regular schedule do not constitute a schedule change. Hours worked outside of the

it necessary for the employee to remain away from home overnight and requires the purchase of meals, lodging, transportation, etc., the Company agrees to reimburse the employee for such expenses.

Article V

WORK FORCE FLEXIBILITY/WORK SCHEDULES

5.1 – General Statement

Eight hours shall constitute a regular day's work, and 40 hours shall constitute a regular week's work. Except in special situations, the regular work schedule of the construction and operating forces of the Company shall consist of a five-day week. Certain office employees whose primary work load varies in relation to telephoned orders from the public may be required to work four eight-hour days and two four-hour days a week without overtime payment. Such schedules shall be filled on a voluntary basis to the extent practicable. Otherwise the schedules shall be rotated equally within the group unless other arrangements are agreed upon in Shop Committee.

Work performed on a shift basis may be scheduled without reference to the calendar week, but shall not exceed 40 hours in the scheduled workweek of seven days.

In general, the policy as to work schedules is that:

(1) Regular work schedules shall be set and made

employee's regularly scheduled shift are paid at the overtime rates as defined in Section 4.2(B) (Definition of Overtime). If the scheduled 40-hour workweek includes any day on which the starting time is more than two hours earlier than the starting time on the previous calendar day, if any, overtime shall be paid for the time worked on the entire shift.

There are two general types of changes in schedules which may be made:

(1) Changes in Scheduled Hours Within the Scheduled Day

An employee's scheduled work hours may be shifted within a calendar day, without payment of overtime, only when he or she is given 24 hours advance notice as follows:

(a) If his or her schedule is changed to a later hour in the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the time at which he or she was scheduled to report for work before the change.

(b) If his or her schedule is changed to an hour that is up to, and including, two hours earlier in the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the earlier hours at which he or she is to report.

When such notice is not given, all hours worked outside the hours included in the old schedule shall be paid at the overtime rate. In any event, if the starting

time for the new schedule is more than two hours earlier than the starting time of a scheduled shift on the previous calendar day, overtime shall be paid for time worked on the entire shift.

(2) Changes in Scheduled Days

Changes in a work schedule involving the shifting of working days and days off may be made without the payment of overtime providing the following two requirements are met:

- (a) That the new schedule meets the same requirements as the old with regard to the 40-hour week and eight-hour day.
- (b) That notice is given at least 30 hours in advance of the time at which the employee was to have reported under his or her old schedule or 40 hours in advance of the new reporting time for the new schedule, whichever is earlier.

If these advance notice requirements are not met, payment at the overtime rate will be made for all hours worked on any day that was a day off under the old schedule.

5.4 - Job Site Reporting

The Company, at its option, may require employees to report for work and to end their workday at specific job sites other than their regular bases, provided that employees will be paid excess time and mileage where incurred to report to and leave from a job.

schedules with Saturday and Sunday as a regular workday for Commercial Technicians and Industrial Technicians, provided that (1) employees subject to these schedules will not be assigned split days off without their express consent and (2) the Company will not schedule employees on two consecutive Sundays. Notwithstanding, paragraph (A) above will not apply to these classifications.

5.6 - Work Assignments of Relatives

Related persons may not be given or continue in work assignments which require one relative to direct, assign, appraise, or check the work of another, or permit one relative to have access to the personnel records and/or local departmental files of another. Whenever one of these prohibited working relationships is established, one of the employees must transfer to a position which eliminates the relationship or resign. If neither employee chooses to move, the less senior employee will be required to do so or be terminated. The Company will allow 90 calendar days following the establishment of the prohibited working relationship to eliminate it through promotion or transfer under the provisions of Section 5.10. The 90 calendar days will begin upon notice to the affected employee and his or her local Union.

A prohibited working relationship can be avoided if the employees receive work direction and their personnel records are reviewed by someone other than the relative.

Further, employees who regularly drive Company vehicles in the performance of their work may volunteer to report to work at locations other than their regular bases and return home in their assigned Company vehicles. These employees shall earn no additional compensation for such job site reporting provided that the work sites are within the normal commuting area and normal commuting time of their operating base and that the employees incur no costs for driving or parking the vehicle.

5.5 - Special Work Schedules

(A) **Customer Services Field Employees:** Regular work schedules, with Saturday as a regularly scheduled workday, will be established for customer service field employees where in the judgment of management it is practicable to do so and sufficient coverage is available. The schedules will be set in advance and no two consecutive Saturdays will be part of the regular schedule.

The Company will also examine the issue of work schedules in the Call Centers and attempt to accommodate employees' desires not to work consecutive weekends. However, it is not known if this can be accomplished and this is not a binding commitment.

(B) **Commercial Technicians and Industrial Technicians:** Effective the date of the signing of this Agreement, the Company may establish regular work

For purposes of this Section, relatives are defined as: husband and wife, parent and child or step-child; parent and son- or daughter-in-law; brother or sister, or step-brother or step-sister; aunt or uncle and nephew or niece (by blood or marriage); grandparent and grandchild, first cousins; brother-in-law or sister-in-law.

5.7 - Job Assignments During Inclement Weather

When construction work or field operations are suspended because of inclement weather, no probationary or regular employees will be laid off because of such inclement weather. However, when inclement weather prevents such employees from performing their usual and customary duties, such employees shall report to work regardless of weather conditions, and the Company may assign them other work irrespective of whether or not such work is normally performed by employees in different classifications.

5.8 - Flexible Work Force

(A) Notwithstanding any provisions of this Agreement to the contrary, the Company retains the right to assign any represented employee to perform the duties of any job classification hereunder within the skill, knowledge level and physical ability of said employee, as determined exclusively by the Company subject to Section 3.10 (Refusal of Duties), for the purpose of balancing the work load and utilizing the work force efficiently. Such assignments shall first be done on a volunteer basis in seniority order. In the absence of such volunteers,

selection will be in inverse seniority order. The determination of the bases or facilities which are to supply the needed work force is determined by the Company.

(B) Opportunities for parallel or downhill work hereunder will be offered first to volunteers at said bases or facilities. In the absence of sufficient volunteers, selection will be in inverse seniority order from among qualified employees.

(C) Promotional opportunities hereunder will be handled pursuant to Section 5.10 (Position Opportunity System), except that, as stated above, the Company retains the exclusive right to determine, at its discretion, the supplying base or facility.

(D) Employees who are assigned to other locations or classifications for purposes of work load balancing shall be given the same opportunities to work overtime in those locations or classifications as employees regularly working such classifications at such work locations have been offered the work. However, nothing shall require that an employee already doing work be pulled off a job in order for someone else to continue on overtime.

(E) LTS for performance shall only be allowed in the employee's primary job.

(F) Excess time and mileage will be paid where incurred to report and leave from such assignments.

5.9 - Temporary Relief Assignments

Temporary vacancies shall be filled by the qualified employee who is next in line in seniority order within the job progression, except when it is inconvenient to operations to do so, such as when the senior employee is based elsewhere, is unavailable part of the time because of vacation, etc.

Temporary relief assignments that are longer than 6 months, for which an end date is known, will be filled on an RV basis. If, at a later date, the RV position becomes a regular position, the current RV holder retains the position on a regular basis. In the event the previous employee returns within two years, the last person in the RV classification at the location will return to his/her previous classification and bump the last person filling the same job in that classification.

Temporary relief assignments are filled on a V basis when the end date is not known. If the assignment is expected to be less than 6 months, the position will be filled on a V. If the assignment is expected to be longer than 6 months, the position will be filled as an RV.

For bases/locations where temporary (V) relief assignments routinely cover multiple bases/locations, the relief assignment will be offered to

qualified employees in seniority order from the area (bases/locations) served.

Employees interested in bidding to promotional opportunities within their job progression will be required to attend training, and accept relief assignments, when offered in seniority order, unless mutually agreed.

All temporary assignments to management will cease to accrue bargaining unit seniority, while on such assignment, if the assignment lasts more than 18 cumulative months in a 2 1/4 year period. Nevertheless, the Union and the Company recognize that in order to provide vacation relief, for work load balancing and to meet temporary operating emergencies it may be necessary to make work assignments from other than the work locations in which the vacancy occurs. It is mutually agreed that such temporary assignments may be made without regard to such job progressions and without regard to the conditions and agreements governing promotions to regular positions. Operating convenience being relatively equal, preference in such cases shall be given within the bargaining unit.

5.10 - Position Opportunity and Placement

The Company will attempt to fill vacant positions from regular employees according to the following Position Opportunity System ("POS") procedure before resorting

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qualifying examination, skills test, and physical ability tests. For such jobs, employees must meet minimum qualifications, as well as all pre-qualifying requirements to be selected. Also, an employee's performance must not be rated less than satisfactory in the job from which the move is requested. Bids will not be accepted if an employee's performance is rated less than satisfactory and/or if he or she has not met pre-screening requirements.

Employees who do not pass an examination will not be eligible to re-test again for six months from the date of disqualification. Employees who do not pass a skills test, such as keyboard proficiency, stenography, or a physical abilities test may re-test after three months.

Pre-qualifying examinations will be valid for a maximum of five years. After this time, employees will be required to re-qualify. Skills tests and physical abilities tests are valid for one year. Employees who have held a job for one year or more in the last five years and whose performance is not rated less than satisfactory in the job need not take an examination for the same job family to be selected. However, a skills test or physical abilities test may be required. Some jobs may require certification. For such jobs, recertification will be required as established by the Company.

Employees who transfer from a job at one work location to the same job at a different work location are not required to take a pre-qualifying examination,

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to outside hires. The Company will maintain a list of classifications in a job index, including a job profile summary of the primary duties of the job and the minimum qualifications thereof, which will be subject to the provisions of the POS.

All jobs to be filled will be posted for 5 working days using E-Bid. It shall be the individual employee's responsibility to learn of the posting and submit a bid via E-Bid during the five day posting period. When the job is filled, the name and seniority of the employee who is given the job will be posted within five working days.

Any qualified employee may bid to any other job, provided that his or her current job performance is not rated less than satisfactory. Prior to submitting a bid, employees are encouraged to review the job profiles. In addition, employees must have taken any pre-qualifying examination and/or skills test required. Some jobs that require similar skills, qualifications, and work activities may be grouped by the Company in an ascending order according to training and proficiency development requirements for work performed.

Part-time employees shall be eligible to bid for full-time positions based on their seniority calculations as follows: Total hours worked since initial hire by the Company divided by 2080 hours.

(A) Prescreening for Employees:

Some jobs require successful completion of a pre-

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provided the new job does not require additional skills which the employee has not performed or for which he or she has not tested.

Any employee who bids for a position that requires the same pre-qualification, skills test, or physical abilities test, as the current job held, will be exempt from having to take the same test for the new job, providing the employee has previously passed the pre-qualification test on file.

Information on test results, locations, and schedules will be available online at all work locations. Employees who do not pass any pre-qualification test will be provided feedback in those test areas the employee failed.

The Union and the Company will encourage employees to cancel test sessions for which they are enrolled. Employees, who register for test sessions, and are unable to attend, must cancel their registration within 5 business days of the test session.

(B) Requesting a Job Move:

When a job vacancy is to be filled, the senior, pre-qualified employee with a bid on file for that job is considered in the priority order listed below.

1. **Disability Bid:** Employees who have been granted disability bid priority by Human Resources may bid for any jobs for which they qualify at their current pay grade or lower. They will be considered first for job vacancies,

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provided that they indicate their disability priority status and meet the minimum qualifications.

2. Transfer/Progression: The most senior of the following two types of job requests:

- a) Employees requesting a transfer to the same job at a different work location.
- b) Employees in the same or same type of job progressions (such as Field Technician to Energy Technician-Residential).

3. Bid: Employees may bid for any job, provided they meet the minimum qualifications for the job requested.

***Until real-time bidding is implemented,** employees must submit a bid to Human Resources through E-Bid to be considered for a job vacancy. The number of bids an employee may submit is not limited. However, an employee can only decline one job offer in a 12-month period without restrictions. If an employee declines a second job offer in a 12-month period, the employee will be restricted from bidding for another job for one year, and all of his or her existing bids will be canceled. See Section (D) Acknowledgment and Validity of Bids.

* Upon implementation of real-time bidding, the Company will no longer maintain a bid list.

his or her own transportation to and from the location of the interview, and of any related personal expenses.

2. Pre-qualifying Examinations: An employee who is scheduled for a pre-qualifying examination is allowed up to sixteen hours per year with pay in connection with any examination arranged by the Company during the employee's regular working hours or that requires that he or she be excused from work. The employee bears the cost of his or her own transportation to and from the location of the examination, and of any related personal expenses. Information regarding preparing for pre-qualification exams is available online via E-Bid.

3. Shortage of Work: For employees affected by a shortage of work, the Company will pay excess casual mileage required to travel to the interview or pre-qualifying examination or may provide transportation.

(D) Acknowledgment and Validity of Job Requests:

The Company will provide a means for employees to bid for jobs listed in the Job Index. ***Until real-time bidding is established,** the Company will place the bidder's name on an eligible list to be maintained in connection with each job. Bids will be accepted online according to bid number.

* Upon implementation of real-time bidding, the Company will no longer maintain a bid list.

When an employee is accepted for a job, all of his or her bids are canceled and the employee will not be eligible to bid again for one year from the effective date of the job move. The exception to this will be promotional opportunities within the same job progression at the same location. **The employee must submit the bid for the promotional opportunity.** All other bids will remain canceled and the employee will need to re-submit bids after the completion of one year from the effective date of the most recent job.

Employees who are accepted for a job requiring greater technical knowledge and skill may be restricted from bidding for up to two years from the effective date. However, an employee may request consideration for a newly created job classification as described in Section (G) New Jobs, if the new job was first posted after the employee accepted a job offer.

Employees not accepted for the job are so notified, and their bid for the specific job is canceled.

(C) Pay for Time Required for Job Interviews and Pre-qualification Examinations:

1. Job Interviews: An employee who bids to a different job is allowed the working time, with pay, for a job interview arranged by the Company if the interview is scheduled during the employee's regular working hours or otherwise requires that he or she be excused from work. The working time allowance is limited to four hours. The employee bears the cost of

Bids that are received after the posting period ends will not be considered until the specific bid deck has been exhausted and all bidders have been referred, interviewed, and accepted or disqualified for the job in question.

Bids will remain in effect for a maximum of 24 months, until the employee is accepted for a job, is disqualified, declines a second job offer in a 12-month period; or until the employee cancels them.

When an employee is disqualified for a job, all of his or her bids for that specific job will be canceled and the employee will be restricted from bidding for that job for three months. When an employee declines a second job offer, all of his or her bids will be canceled and the employee will be restricted from bidding for any job for one year. Also, an employee's bids will be canceled if his or her performance is rated less than satisfactory. The employee will be restricted from bidding until his or her performance rating is not less than satisfactory.

Bids for a specific job will be canceled if results of prior pre-qualifying examinations or skills test expire during the effective term of the bids. Employees may resubmit such bids after successfully re-testing for the jobs.

An employee who has a bid on file may, at any time, secure, through his or her representative or directly from Human Resources, information regarding his or her position on an established bid list. Also, an employee may request the name and seniority of the last employee

placed on a job from such job request list, and the date such action was taken.

(E) Protesting Disqualification:

1. **Transfers:** An employee who questions the judgment of management regarding his or her qualifications for a transfer to a job vacancy, is entitled to file a grievance under the dispute resolution provision. In the event of such a grievance, the Company will assume the burden of proof as to the appropriateness of disqualifying the employee for a transfer. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

2. **Bids:** An employee who questions the judgment of management regarding his or her qualifications for a job bid, including disability bids, is entitled to file a grievance under the dispute resolution provision. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

(F) Training and Proficiency:

Some jobs require successful completion of extensive off-the-job Company training. For such jobs, an employee's new job classification will take effect after the successful completion of training tests at the end of the initial training course. However, if the training course is not available and/or completed within 90 days from the job acceptance date, the new rate of pay will begin on

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progress to date. If, after discussions, the supervisor or employee believes the employee might not be capable of performing satisfactorily in the new position, the employee may exercise the option to return to her/his position within eight calendar weeks (56 days). When no formal training is required, the 56-day period begins on the effective date of the new classification (when the employee actually moves to the new job). If formal training is required, the 56-day period begins after successful completion of training, or upon successful completion of the initial training course. Following a return, the employee will be restricted from bidding for one (1) year.

(I) Placement Upon Return From Authorized Absence:

When a job becomes vacant because of the absence of an employee on Military Leave, Disability, Personal Leave of Absence, or other authorized reason of a nature which permits the employee to return to the former assignment, the Company will follow the normal procedures governing position opportunities. If the employee on authorized leave returns within a period of two calendar years following his or her last day worked in active service, the employee who had been appointed to the vacancy will be returned to his or her former classification within the job progression, at the work location from which the employee left. When such an employee returns to his or her former job, the employee if any, who replaced him or her will likewise have the right to return to the job from which he or she came, and so on. In case more than one employee will have been

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the 91st day. Employees who do not pass subsequent training courses, once the job takes effect, will be placed on a performance improvement plan and will be subject to the due process provision of this agreement.

An employee who fails the initial course will be returned to the job from which he or she came and displace the employee who replaced him or her. The displaced employee will return to the job from which he or she came, and so on.

Employees who return to a job they held previously will be required to successfully complete the Company training course and meet the current proficiency requirements for that job if they were out of the former job for five years or more.

(G) New Jobs:

The Company will notify the Union whenever an entirely new job classification is created that is covered by the provisions of this Agreement. The Company will indicate in such notification the pertinent facts concerning the job. Following notification, the Company will then post a notice system wide, which will describe the job duties, minimum qualifications and the pay rate of the new job. Interested, qualified employees may submit bids under the provisions of the POS.

(H) Return to Prior Position:

Within five calendar weeks (35 days) of an employee moving into a new job classification, the supervisor will meet with the employee to jointly discuss the employee's

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appointed to such a job, the employee last appointed to the job classification will be the first to return to his or her former job. If the employee on authorized leave returns to the same payroll classification after an absence of two calendar years following the last day worked in active service, and if there is no vacancy available for him or her in that classification, the provisions of Article VII governing layoff for shortage of work will apply to the employee displaced by the returning employee.

(J) Placement of Disabled Employees:

When an employee (whether or not on the Disability payroll) is unable to perform the duties of his or her job because of a disability, but is capable of performing the duties of a classification or classifications other than his or her regular job, the employee may request transfer to or the Company may place such employee in any vacant job he or she is capable of performing, provided that it is not higher than his or her regular classification. Bids from an employee who has been notified by Human Resources that he or she has been granted disability request priority will be considered before all other job requests, provided that such employee meets the minimum qualifications for the job requested. The standard for disqualification of an employee requesting disability placement is set forth in Section 5.10 (B).

If an employee is medically disqualified for a certain job classification, any other requests he or she submits for the same classification will be canceled and the employee will not be considered for further interviews for the same classification until he or she submits evidence that he or she is no longer medically disqualified. If at a

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later date the employee again becomes capable of performing the job he or she held prior to becoming disabled, at that time the employee will have the right to return to his or her former job on the same basis as an employee returning from disability.

An employee placed in a job under the provisions of this Section will receive the rate of pay that is no lower than the weekly rate which he or she received immediately prior to the disability.

Employees who have been offered employment under this section by the Company and have been offered a job more than **fifty (50)** miles from their last work location, may elect termination wages equal to one (1) week of pay for each year of service up to 25 weeks, in lieu of accepting the job. This is a severance payment and disability benefits will be terminated the date the employee leaves the company.

(K) Supervisory Promotions:

While seniority shall be observed where possible in the selection of employees to fill positions of supervision or of special responsibility, the Company reserves the right to exercise complete discretion in the choice of employees for such positions and in their retention in such positions. The most important requirement for selection and retention in a position of supervision or of special responsibility is that the employee shall be acceptable to the Company as an agent for the exercise of authority. This applies where authority is to be exercised on behalf of the Company as follows: (1) directing the work of other employees in a supervisory

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index of job classifications and summary of duties for the purposes of assisting employees in determining the nature of duties to be performed in any job for which they may bid. Where pertinent, the index will list the principal minimum qualifications for the Indicative Duties Descriptions, with the understanding that such lists may not be all inclusive and may be subject to change. However, the Company agrees to notify the Union immediately if it intends to modify the minimum qualifications for any job. Furthermore, any minimum qualifications must be reasonable and necessary to indicate probable success in the classification.

5.12 - Certification

The Company shall pay for reasonable costs associated with all job-required certifications and licenses. Cost must be approved in advance. The Company shall provide sufficient time during regular work hours for study and testing related to required certifications and licenses.

5.13 - Technical Layoff

In some cases, there may be a shortage of work in one or more classifications (pay grade) in a job progression, but equivalent or higher jobs in the same type of work are available elsewhere to all employees in the layoff area. In this situation, when such jobs are available at a work location not more than twenty miles distant from the affected employee's existing work location, the

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capacity (barring such direction or supervision as is exercised by a Lead Construction Technician over Energy Technician Distribution or Construction Technician), (2) inspection of work, particularly where such inspection is to ensure compliance with requirements of law or of public regulation, and (3) assignment of work to employees who have no other direct supervision.

When a supervisory employee returns to a classification of work covered by this Agreement because of a shortage of work in his or her classification, such employee shall have the right to return to the classification from which he or she was advanced, within the previous two years, providing that such return does not bump any employee in the classification who has greater seniority. In the event the returning employee does not have the seniority to fill a job in the classification from which he or she was advanced, he or she shall have the right to go back into the next lower classification within the work location for which his or her seniority entitles him or her. Furthermore, a supervisor may utilize accrued bargaining unit seniority at any time to return to a vacant job but shall not have bumping rights.

This Section does not apply to temporary promotions into management.

5.11 - Job Profiles

The Company agrees to prepare and issue a revised

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provisions of Section 7.1 (Seniority in Layoff) shall not apply, however, the affected employees (lowest in seniority in the classification) (pay grade) will be given 10 working days of special bid rights. These bid rights will have preference over all bidders except those bidders under Section 5.10 (J) and 7.1.

5.14 - New or Modified Regions

In the event that the boundary lines of a Region in which the Union has representation rights as herein defined shall be modified so as to create new boundaries which shall include some or all of the job progressions, as herein defined, it is agreed that the assignment of employees who will staff the new Region shall be deemed to have been made prior to the date the new Region is established and shall be accomplished in the following manner:

(A) The Company will establish a Table of Organization showing the number of classifications of the jobs and job progressions to be established in the new Regions and those to be eliminated from the other areas affected. A copy of the Table of Organization will be forwarded to the Union.

(B) Employees working in the area encompassed by the new Region whose work location or job status will be unaffected will be so notified.

(C) Employees in job progressions that are affected will be considered for jobs in similar job progressions

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in the revised Regions without being required to submit bid cards. Each such employee will be informed of his or her rights, and his or her preferences will be recorded by his or her supervisor. Any such employee who volunteers for a job of the same, a parallel, or a lower classification will be accepted in seniority order, prior to consideration of bids and promotions under the regular Position Opportunity System. Any such employee who is eligible for promotion to a vacant job in a higher classification shall receive consideration in accordance with paragraph (E) hereof.

(D) In the event that an insufficient number of employees volunteer, from a unit affected, for positions in the new or modified Regions, the number in excess of the Table of Organization established for the unit affected under the provisions of (A) of this Section shall be subject to layoff under the provisions of Section 7.1 (Seniority in Layoff) or Section 5.13 (Technical Layoff), as appropriate. It is understood, however, that an employee is not subject to layoff if positions are available to him or her within his or her then existing job progression even though at a different base location.

(E) Jobs in the new Regions which remain unfilled after exhausting the bids received under the provisions of paragraph (D) hereof shall be subject to the regular bidding procedure.

(F) At the request of either party, a meeting shall be

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voluntary change in job progression or work location, removes any special priority of return.

(C) In the event a redeployment involves a move more than 30 miles from the employee's present work location, such employee shall have the option of accepting redeployment or exercising rights under Section 7.1 (Seniority in Layoff).

Article VI

DISPUTE RESOLUTION

6.1 - General Statement

The Company shall exercise its right to employ, promote, demote, discipline, and discharge employees in the interest of good service and the proper conduct of the business, subject to the terms and provisions of this Agreement. Where an appeal through grievance procedure is upheld, the employee's status and pay shall be restored. The Union and the Company agree to take alternate measures to resolve disputes prior to any formal action by either party.

6.2 - Job Performance Appraisals

When a supervisor prepares an Employee Appraisal or an Interim Personnel Report for entry into an employee's personnel file, the supervisor shall give the employee an opportunity to read it. Normally the employee will initial the entry, signifying only that he or she has read it, not

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held within five working days of the Company's announcement of a Region boundary change to discuss details under which they shall proceed and to discuss the probabilities of transfer, reclassification, and other matters covered by the terms of this Agreement.

5.15 - Employee Redeployment - Work Force Balancing

Assuming no reduction in total number of employees or in job classification level, relocation of employees within a job progression shall be effected as follows:

(A) Employees at work locations where the excess of work force exists will be offered, in seniority order, the existing vacant jobs at other work locations. Requests from these employees for change to the location where vacancies exist will have priority until enough requests have been honored to effect the necessary reduction in work force.

(B) If there then remains an excess of work force at any work location, the employees to be reassigned will be selected in reverse seniority order. In seniority order, each employee in this group will be allowed to choose the vacant job to which he or she shall be reassigned. Any employee thus reassigned by the Company may submit a request to return to a job in the classification he or she held at the work location from which he or she was displaced. Such requests will be given priority over routine transfer requests. It is understood that acceptance of a promotion, or any

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necessarily that the employee agrees with it. If the employee declines to initial the entry, the supervisor shall so note on the entry. The employee may, at his or her option, submit a short written statement (not more than one page) of rebuttal to be added to the personnel file along with the supervisor's entry. The employee may obtain a copy of the Employee Appraisal or Interim Personnel Report without charge if the request is made at the time the supervisor shows it to the employee. Otherwise, the employee may obtain copies of any documents in his or her personnel file upon written request to the Human Resources Department at a transaction charge of \$2.00 plus ten cents per page of copy. It is understood that some such entries may be made without being seen first by the employee in cases when the employee is unavailable or in cases of disciplinary action for which formal protest procedure is established.

At any time an employee may request of the supervisor an appraisal and discussion of his or her job performance, including a personal inspection in the supervisor's presence of the employee's personnel file, if requested with reasonable advance notice. Normally such inspections shall not be repeated in less than twelve months, but exceptions may be made in such instances as the issuance of a less-than-satisfactory rating or, the disqualification of an employee on a bid or promotion, or following disciplinary action. In addition, any employee may review with the Human Resources

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Department the nature of his or her past record of service.

When a supervisor enters into the record that an employee's overall job performance rating is less-than-satisfactory, it is the supervisor's obligation to tell the employee of the reason for the rating. Furthermore, on the day the employee is to be informed of his or her less-than-satisfactory rating, the employee upon request, shall be entitled to have a Union representative present as a witness to the interview. In addition, the employee shall be given a Notice of Less-Than-Satisfactory Job Performance (Form No. 3891) at the time such entry is made or as soon as practicable thereafter. It is agreed, however, that with relation to such privileges as transfer, bid or promotion, the employee's overall job performance rating will be based on his or her actual current status regardless of whether or not it has yet been entered into the record or whether or not he or she has yet been notified.

The Company also recognizes the obligation of its supervisors to inform employees who have been rated less-than-satisfactory when and if their work performance is again judged to be satisfactory. The Union may at any time protest a less-than-satisfactory rating through the grievance and arbitration procedure.

6.3 - Causes for Disciplinary Action

Any of the following shall constitute causes for demotion, discharge or disciplinary layoff, except that any acts of

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Absence without authority - (when it would be possible to apply for authority for such absence) and without satisfactory excuse.

Dishonesty - regarding money, falsification of Company reports or records; failure to tell the truth in matters pertaining to Company operations or in matters relating to the employee's absence from or performance on the job.

Obvious causes - such as conviction of a felony, engaging in a criminal act (other than a minor traffic violation) or an act involving moral turpitude.

Drug abuse - use of, on or off the job, which is in violation of negotiated agreements and government mandates.

6.4 - Advance Warning of Intention to Discipline

The Company agrees that an employee whose work is of such quality as to justify discipline for the first reason stated under Section 6.3 (A) (Failure to Perform Work in an Efficient and Workmanlike Fashion), shall be specifically warned by the supervisor with reasons stated in writing of any intention which the supervisor may have of recommending demotion, discharge, or disciplinary layoff for said reason. The supervisor will give a reasonable period of advance warning in order that the employee may remove the necessity for disciplinary action. When the nature of the employee's deficiency is such that it would be unreasonable to expect him or her to correct it immediately, the supervisor will give the

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sabotage or theft of any employee, customer or Company property shall be an immediate cause of dismissal:

(A) Unsatisfactory job performance, including the following:

Failure to perform work in an efficient and workmanlike fashion.

Unsatisfactory accident record; carelessness or negligence on the job which affects the safety of fellow workmen or which involves avoidable damage to property; unsafe, unlawful driving.

Failure to follow Company rules which have been posted or which are common knowledge or of which the employee has been directly notified.

(B) Misconduct, including the following:

Insubordination - failure to comply with orders or instructions given by the proper supervisor, or engaging in any activity or conduct in violation of Section 2.2 (E) (No-Strike Clause).

Failure to cooperate with supervisors and/or fellow employees in matters pertaining to the Company's operations.

Insobriety - drinking on the job, or drinking off the job to the extent that it adversely affects the employee's attendance or the quality of his or her work.

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employee a reasonable probationary period in which to improve his or her work to a satisfactory level.

Any employee who has received such a warning shall have the option of requesting reclassification and transfer to work which he or she has previously performed successfully if such work is available and if such request is made before the expiration of the stated probationary period, without regard to the "satisfactory work requirements" of Section 5.10 (Position Opportunity System). The employee may elect to waive the probationary period in favor of an immediate hearing as provided in Article VI, Dispute Resolution, in which case his or her employment and pay will continue until the Company has stated its position as provided in paragraph (5) of Section 6.5 (A).

Any such warning so given shall be continuing in effect until the cause for such warning shall have been removed by the employee and any failure on the part of the Company to take action following any such warnings, regardless of lapse of time, shall not be deemed a waiver by the Company of its right to act upon such warning at any later date within six months. In the event that two such warnings are given within a period of two years, such six months limitation shall be extended to one year on the second warning; and if subsequent warnings are given within one year after the lapse of the previous warning period, such limitation shall be extended to two years.

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6.5 - Disciplinary Procedure

The following procedure shall be followed in connection with (A) Discharge for Cause, (B) Demotion for Cause and (C) Disciplinary Layoff, for the causes listed in Section 6.3 (Causes for Disciplinary Action):

(A) Discharge for Cause:

(1) Employees are subject to removal from active work and to subsequent termination of service for the causes cited in Section 6.3 hereof. Immediate causes of discharge are offenses which have occurred (or which have been discovered) within 90 days of the date of removal from work, and no offense shall be regarded as an immediate cause of discharge unless acted upon within that period. While discharge action must be directly related to an offense or offenses which have occurred within the period of time just stated, consideration of any given case shall not necessarily be limited to one specific offense. The record of previous good service, or of previous offenses, if any, and punishment usually given for similar offenses, shall also be considered. The sole purpose of placing a time limit upon action following any given offense is to provide a period of time during which an employee may clear his or her record of any immediate cause of discharge. It is not the intent of this provision to provide a time limit which operates to cancel the effect either of good service, or of repeated offenses which interfere with the proper conduct of the business.

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computing the two-day and five-day periods. No protest of a discharge will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Discharge for Cause is mailed.

(4) The employee may appear in person at his or her hearing, whether he or she represents himself or herself or is represented by the Union. The employee may produce such witnesses as may be necessary to testify in his or her behalf on questions of fact.

(5) Upon conclusion of the hearing, Company representatives will mail a certified letter to the last known address of the employee, stating the position taken by the Company either in upholding the protest or in sustaining the discharge, or if the Union has represented the employee in the hearing, the Union and the employee shall be notified of the outcome. If the protest is upheld, the employee's status and pay shall be restored as provided in Section 6.1 (General Statement). If discharge is sustained, and there is dispute on this point, a Board of Arbitration shall be designated to arbitrate the matter, as provided by Section 6.8, provided the Human Resources Department receives a written request for arbitration from the Union within the 20 calendar days next following the date upon which the certified letter stating the Company's position, as provided above, is mailed. In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a discharge at the earliest

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(2) When any employee is removed from active work, pending a discharge for cause, he or she will be immediately notified of the reason therefore on a Notice of Discharge for Cause. This notice shall indicate the nature of the offense, citing the subsection of Section 6.3 hereof which applies, the date upon which the discharge is effective, and the last date upon which the discharge may be protested with a request for a hearing.

(3) The Human Resources Department, upon request, will arrange for a hearing to be held, whenever practical, within not less than two working days, nor more than five working days of the date of removal from work, and will withhold official termination of service until expiration of that period, in any case. Where more time is required, the hearing will be scheduled at the earliest date possible. However, the effective date of the discharge, unless set aside, shall be the date upon which the employee is actually removed from work. If a protest is upheld, the employee shall be restored to the job which he or she held at the time of removal from work or some other job agreeable to the parties concerned, and receive full pay from the date of removal from work. And, in addition, such employee shall be reimbursed for his or her transportation expense in connection with such hearings in an amount not to exceed the cost of public transportation. The time limit herein provided refers to regular business days and not to calendar days. Saturday, Sunday, and holidays will be disregarded in

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regular meeting (or series of area meetings) following the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more than 25 additional calendar days beyond the 20-day limit.

(B) Demotion for Cause:

(1) Employees are subject to demotion for the causes cited in Section 6.3 hereof. The duties and pay rates of the employee are subject to immediate change but the demotion may be protested under the same procedure as provided for in connection with discharge for cause.

(2) Employees demoted for cause shall be notified on a Notice of Demotion for Cause. No protest of a demotion will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Demotion for Cause is mailed.

(C) Disciplinary Layoff:

(1) Employees are subject to disciplinary layoff for the causes cited in Section 6.3 hereof. The layoff may be set immediately upon commission of the offense. Layoffs will be reviewed by the Company under the same procedure as provided for in connection with the

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discharge for cause and may be protested under the same procedure.

(2) Employees subject to disciplinary layoff shall be notified on a Notice of Disciplinary Layoff. No protest of a disciplinary layoff will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Disciplinary Layoff is mailed.

(D) Temporary and Probationary Employees:

Nothing in the provisions of Section 6.3 (Causes for Disciplinary Action), 6.4 (Advance Warning of Intention to Discipline), and 6.5 (Disciplinary Procedure) applies to layoff or changes of duties occasioned by lack of work. None of the provisions hereof apply to (1) strictly temporary employees, or (2) prospective regular employees who have been employed less than six months and who are serving their probationary period, except that the Company agrees to review and discuss with the Union any claim made in writing that any probationary employee working in the payroll classifications listed in Appendix B hereof has been unfairly dismissed; provided, however, that should any dispute arise over the disposition of such claim it shall not be subject to arbitration.

A probationary employee who is notified of the intention of the Company to terminate his or her services because of unsuitability for long-term employment shall have the right to elect to submit a written resignation and the records of the Company shall so indicate.

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advance to have a Union representative available, and this option is open to the supervisor at his or her discretion. The employee does not normally have the option of asking for a Union representative from a district other than his or her own or one who is not an employee of the Company.

The role of the Union representative in a disciplinary interview is not that of an adversary; he or she is there as a witness to counsel the employee and to clarify to the employee if necessary the employee's rights under the Agreement. Any protest of the action being taken shall be reserved for the procedure set forth in Section 6.5.

The right of having a Union representative does not apply to investigative interviews when the employee is not under suspicion. It does not apply to counselling interviews.

6.7 - Termination Wages

(A) Discharge: An employee when discharged for unsatisfactory job performance, as defined under paragraph (A) of Section 6.3 (Causes for Disciplinary Action), shall receive a termination wage equivalent to one week's pay per year of service, up to a maximum termination wage of ten weeks' salary and in addition shall receive payment for any unused portion of the Vacation Allowance for which such employee is then eligible.

An employee who has been demoted for

6.6 - Disciplinary Interviews

When a supervisor interviews a regular employee with the intention of issuing a written warning letter under Section 6.4 of this Agreement, or of assessing a disciplinary layoff, demotion, or discharge, or with the intention of developing facts in the interview to support disciplinary action that is being considered against such employee, the employee upon request shall be entitled to have a Union representative present in order for the interview to continue. In the event the supervisor fails to grant such a request, the employee may refuse to answer any questions, and the Company shall be precluded from relying upon any statements made by the employee during the interview, after such request, as a basis for assessing or upholding the discipline. However, the Company shall not be foreclosed from independently ascertaining any facts contained in the employee's statements and relying upon such independently ascertained facts. It shall be the policy of the Company to encourage supervision to notify employees of their right to Union representation in the disciplinary or investigatory interview described above. The absence of such notification, however, shall not invalidate any information received or action taken in the interview.

If the employee requests a Union representative (Shop Steward or other Union official) and none is available at the moment, the interview shall be postponed until the representative can be present. In the case of some activities where the employees involved are in the field, it may be more convenient to arrange in

unsatisfactory job performance, as defined under paragraph (A) of Section 6.3, may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive the termination wage provided herein, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits provided in paragraph (5), Section 6.5 (A); provided however, that refusal of the employee to perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

An employee who is discharged for misconduct as defined under paragraph (B) of Section 6.3, or commission of or conspiracy to commit any act of sabotage, shall not be entitled to a termination wage.

(B) Demotion: An employee who has been demoted for misconduct as defined under paragraph (B) of Section 6.3 (Causes for Disciplinary Action), may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive two weeks' termination wage, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits provided in Section 6.5. Refusal of the employee to

perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

6.8 - Grievance/Arbitration Procedure

The parties encourage the settlement of disputes at the local level between employees and supervisors prior to initiation of formal procedure.

The Union and the Company mutually agree that the prompt handling of grievances is a fundamental responsibility of both the Union and the Company and to that end the Company will permit the use of its regular Company messenger service for the purpose of handling grievance matters and will establish a delivery and pickup service at Union headquarters for the purpose of expediting this matter. Union representatives will be authorized to use the Company "special service" messenger facilities at such times as the situation appears to warrant. It is understood and agreed, however, that the use of the Company messenger facilities shall normally be limited to handling grievances.

In order to aid in the proper disposition of grievances, Shop Stewards may be selected by the Union. Such Shop Stewards may be selected from among the active employees in each of the departments and groups in the bargaining unit.

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complaint in order to ascertain that the grievance complaint is justified under the terms of this Agreement and that there is reasonable ground to believe that the claim is true in fact. For this purpose, one officer from the Union shall be allowed a reasonable length of time with pay to complete the investigation after having notified and received permission for such from the Regional Manager or his or her designated representative. It is mutually agreed that the normal procedure shall be for the local Union representative to discuss any pending grievance with the appropriate local management representative before formally presenting it except that grievances involving potential pay adjustments shall be based upon the date of filing of the grievance in Step 1.

The grievance complaint shall set forth all the facts necessary to understanding of the issues involved, and it shall be free from charges or language not germane to the real issue or conducive to subsequent calm deliberations. So far as possible, the Union and the Company shall avoid publicizing any grievance or complaint founded thereon prior to the final determination of the issue, other than as a matter of internal communication.

(B) Grievances which are appealed to Step 1 in timely fashion shall be reduced to writing on multicopy forms provided by the Company and approved by the Union, shall be signed and dated by the aggrieved and his or her Union representative, and filed with the local management representative delegated to receive such local grievances on behalf of the Company. The Union

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The Union agrees to train all new area officers, unit officers, and local presidents with regard to grievance investigations on Company time. This training must be completed within 30 days of the officer taking office. Further, if the Union fails to train the above mentioned officer, the officer will be precluded from conducting such grievance investigation on Company time.

Any grievance, other than appeal following disciplinary action, as provided in Section 6.5 (Disciplinary Procedure) of any employee covered by the terms of this Agreement, or any dispute which shall arise between the Union or its members and the Company shall be determined in the following manner:

Responses from the Company to any step of the grievance procedure shall be sent to the appropriate Union office with copies to the involved Region/Departmental officer, shop steward and the president of the local.

Each grievance shall be initiated within 90 calendar days of the event causing the grievance, or within 90 calendar days after the date on which such event should reasonably have become known by the aggrieved employee. For this purpose, the grievance shall be reduced to writing on a multicopy form in accordance with paragraph (B) of Step 1*.

Step 1: Grievance Procedure

(A) The Union will make a careful investigation of the grievance before it is reduced to the formality of a written

* For job disqualifications, there is a 15 day limit to initiate grievances. Refer to Section 5.10(E).

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will be advised of the appointment of local management representatives. In the event that doubt exists as to the identity of such local management representative, the grievance complaint may be addressed to "Appropriate Local Management Representative, c/o Director, Labor Relations." Such grievances will be forwarded immediately to the Company representative to whom authority for handling the grievance has been delegated.

(C) The local management representative will commence a prompt investigation of the facts and will reach a conclusion at the earliest date consistent with the nature of the investigation and with the normal conduct of necessary business. Upon reaching such conclusion, but in any event, within ten working days of the receipt of the grievance, the local management representative will reply in writing, stating the Company's position on the issues raised in the complaint.

(D) If the Union wishes to discuss the grievance further with the local management representative, the Union will, within ten working days after receipt of the statement of the Company's position, so notify the local management representative, who will arrange to hold a local grievance meeting within the ten working days following such request. Attendance at such meeting shall normally be limited to the employee or employees whose grievance is under discussion, two representatives of local management, and two representatives of the Union, who shall be active employees in the Region/Department in which the grievance arises. Discussion shall be limited to the issues raised in the grievance complaint. An earnest

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effort shall be made to arrive at and state a decision in this meeting; however, oral agreements, reached in the local grievance meeting, shall be regarded as purely tentative and without force until confirmed in writing.

Local grievance meetings may be scheduled during regular business hours if consistent with the normal conduct of business, provided that total Union attendance at the meeting does not exceed four persons. Under no circumstances will Company pay be sustained for more than three employees in attendance for the Union at such local grievance meetings. It is understood and agreed, however, that the Union may, upon notice to the Director, Labor Relations, also have in attendance an employee who is a Union officer or an employee selected by the Union to do Union business, as provided by Section 2.2 (B) (Union Leave of Absence); and, in such case, the Company may also select an additional representative from the Human Resources Department to attend such hearing.

Step 2: Grievance Procedure

(A) Within ten working days following conclusion of the local grievance meeting, the local management representative will give the Union a brief written statement of the decision reached.

(B) If no final agreement is reached at the local management level, upon request within ten working days after receipt of the statement of the Company's decision, a final meeting will be held with Human Resources representatives. The request for a final meeting should

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(E) Grievances of a general nature (system-wide) by the Union shall be initiated by the Local Union President or designated representative by a written statement served by the aggrieved party on the other and filed within 90 calendar days of the event causing the grievance or after the date on which such event should reasonably have become known. Such grievances shall be heard directly in Step 2.

Step 3: Grievance Procedure/Arbitration

If the final decision of the Company is not acceptable to the Union, the Union may refer the matter to arbitration as provided by this section hereof, provided a written request for arbitration is received by the Human Resources Department within the 20 calendar days next following the date of receipt of the Company's statement of position as provided by Step 2, paragraph (D) of Section 6.8 (Grievance/Arbitration Procedure). In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a grievance at the earliest regular meeting (or series of area meetings) following the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more than 25 additional calendar days beyond the 20-day limit. Discharge cases will be scheduled for arbitration

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be made in writing and should state which facts are still in dispute, if any, and the specific basis upon which the Union takes issue with the position of the local management representatives.

Attendance of Union representatives at meetings in this step of the grievance procedure will normally not exceed seven people. The Company will sustain pay and reimburse the casual mileage rate of not more than two employees (three in the case of Joint grievances where employees from more than one Union attend); provided, however, that by mutual agreement this limitation as to the number in attendance and the number to be reimbursed may be revised.

(C) Within three working days following receipt of the Union's request for a final meeting, the Company will acknowledge the request by letter and will arrange a meeting within the next ten working days whenever any necessary fact finding can be accomplished prior to the date of the meeting scheduled within such period. If it is obvious that the necessary fact finding cannot be accomplished in such time as to permit the Company to discuss the grievance within such ten working day period, the letter will include a statement to that effect and a tentative date will be set for a later meeting. The Company and the Union by mutual agreement can waive the time limits provided herein.

(D) Within ten working days following conclusion of the final meeting, the Company will give the Union a brief written statement of the decision reached.

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within six months from the date of termination.

(A) **Definition of Arbitrability:** There will be no arbitration of any dispute unless requested in writing by the Union, as distinct from a request by the individual employee. Disputes which are arbitrable under this Section shall include only those arising under the provisions of Section 6.5 (Disciplinary Procedure) or Section 6.8 (Grievance/Arbitration Procedure) which concern the interpretation or application of any of the terms or provisions of this Agreement. Arbitration under this section shall be the exclusive means of settling such disputes.

Step 4: Alternative Dispute Resolution

The parties recognize the need to resolve grievances and protests of disciplinary actions whenever possible in order to avoid the expense and delay associated with arbitration. Therefore, the parties enter into this Agreement to use mediation and expedited arbitration, where mutually agreed to by the parties, to resolve pending arbitration cases as well as grievances and protests of discipline that may arise during the term of this Agreement.

A. Mediation:

1. Within ninety (90) days of the ratification of this Agreement, the parties will meet to select mediators to hear cases under this procedure. The mediators selected shall agree to provide the parties with an agreed upon number of available dates. The parties

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and the mediators shall then schedule specific dates. The mediator will continue to serve by mutual agreement of both parties.

2. Within thirty (30) days of the selection of mediators, the parties will meet to identify those pending cases which the parties agree will be processed through this mediation procedure. Discharge cases which the parties agree to mediate shall be scheduled first, in the order in which the cases were filed to arbitration.
3. Following disposition of cases pending as of the date of this Agreement, or which have been filed pending resolution of the backlog cases, the parties shall process future cases by scheduling a Mediation Conference to be held at the earliest available date of a mediator within thirty (30) days of the Union's request for arbitration, except for cases in which either party requests that mediation be bypassed.
4. Each party should have one principal spokesperson at the Mediation Conference. The Spokesperson for the Company will normally be the Director, Labor Relations, or designated representative. The spokesperson for the Union will normally be the President or designated representative. Only by mutual agreement will an attorney be used by either party at the Mediation Conference. In addition to the grievant(s), the number of employees who shall suffer no loss in pay for participation in the

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10. If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with a written advisory opinion within three (3) days, briefly stating the grounds therefor, unless both parties agree that no opinion shall be provided.
11. If no settlement is reached at the Mediation Conference, the grievance may be scheduled for arbitration in accordance with Article VI (Grievance/Arbitration Procedure).
12. In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Nothing said or done by the mediator may be referred to at arbitration. Any settlement proposal made by either party at the Mediation Conference shall not be referred to at the arbitration hearing.
13. The parties agree to share equally the costs associated with mediation.
14. The assessment of costs for mediation cases which have been appealed to arbitration under Article VI of the collective bargaining agreement shall be as follows:

Non-Discipline Cases:

- (A) If the Union fails to accept the mediator's recommendation, it may appeal the case to arbitration. If the arbitrator renders the same or less favorable decision than the mediator

Mediation Conference shall be no more than two (2).

5. Proceedings before the mediator shall be informal in nature. The presentation of evidence is not limited to that which has been presented in the grievance proceedings. The rules of evidence shall not apply, and no record of the Mediation Conference shall be made, nor may either party introduce into any other proceeding any record, testimony or evidence of such proceedings.
6. All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance, to be used solely for purposes of statistical analysis.
7. The mediator will have the authority to meet separately with any person or persons, but will not have the authority to compel the resolution of a grievance or protest.
8. The mediator shall conduct as many conferences each day as is feasible and mutually agreeable to the parties. The first session will begin at 9:00 a.m.
9. The Company and Union at the Mediation Conference may accept the resolution proposed by the mediator. Such settlement or any other settlement resulting from the conference shall not be precedent setting, unless both parties agree.

recommended, the full costs of that arbitration are then paid by the Union. If, however, there is a more favorable ruling than the mediator's recommendation, then the cost is split equally between the parties.

- (B) If the Company fails to follow a mediator's recommendation and receives the same or less favorable decision from a subsequent arbitration, the Company pays the full cost of that arbitration. If the arbitrator's award is more favorable to the Company than the mediator's recommendation, then the cost is split equally between the parties.

Discipline Case:

- (A) If the mediator's recommendation upholds the discipline in whole or in part, the Union may appeal the case to arbitration. If the arbitrator concurs with the mediator's recommendation, the Union will pay the full cost. However, if the arbitrator reduces the discipline lower than the mediator's recommendation or eliminates it, the costs will be split between the parties.
- (B) If the mediator recommends reducing or eliminating the discipline and the Company refuses to accept the mediator's recommendation and the case is moved to arbitration and then if the arbitrator reduces the discipline to the same degree as the mediator or less or eliminates it, the Company pays the full cost of the

arbitration; otherwise, the costs will be split between the parties.

15. Payment shall include full costs for cases appealed from mediation and shall include the full cost of the arbitrator, court reporter, transcript and meeting facility if applicable. Each party's own costs shall not be included in this assessment.

B. Expedited Arbitration:

1. Pending arbitration cases which are not mediated, unresolved at Mediation Conference or are removed from Mediation may be referred to expedited arbitration by mutual agreement of the parties. Following disposition of pending cases, the parties may refer future grievances and disciplinary protests which are not resolved at Mediation to this Expedited arbitration by mutual agreement of the parties.
2. Within ninety (90) days of the ratification of this Agreement, the parties shall select three arbitrators to serve as expedited arbitrators for a term of the agreement from the current fourteen person panel in a manner agreed upon by the parties. The arbitrators shall be scheduled for a period of twelve (12) months. The schedule shall initially provide for four days of hearings during a month. Effective three (3) months after the parties conclude selection of expedited arbitrators, during the remainder of the term of this agreement, either

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fashion that party chooses, and allocated as it wishes. Cross examination shall count against the party conducting it.

7. The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before her or him by the representatives of the parties. In all respects, he or she shall assure that the hearing is a fair one. The arbitrator shall also be responsible for keeping the parties to the time allotted.
8. No briefs shall be filed nor transcripts made.
9. The arbitrator shall provide the parties with a written award at the conclusion of each case or by the close of the hearing day, including a brief written opinion in support of the decision unless both parties agree that no opinion shall be provided.
10. These decisions shall be final and binding upon the parties and shall not be cited as precedent in any succeeding arbitration case. The authority of the arbitrator shall be the same as provided for the Board of Arbitration pursuant to Article VI.

Step 5: Board of Arbitration

Should the Union and the Company fail to settle any such arbitrable dispute, the matter in controversy shall be submitted in writing to a Board of Arbitration

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party may remove one (1) arbitrator from service as an expedited arbitrator. Vacancies of expedited arbitrators shall be filled by mutual agreement.

3. Two (2) cases shall be heard each day. The first case will begin at 8:30 a.m., the second case at 1:30 p.m. This schedule can be adjusted by mutual agreement to handle a third case.
4. No less than two (2) weeks prior to each scheduled expedited arbitration date the parties shall meet to determine which cases are to be heard at that scheduled date. At that time the parties shall seek to agree upon fact stipulations and shall exchange witness lists and evidence to be submitted at the hearing. Except for good cause shown as determined by the arbitrator, and rebuttal witnesses and evidence, no witnesses nor evidence not revealed at this time shall be admissible at the hearing.
5. At that time the parties shall also agree upon an issue statement. Failure to agree upon an issue statement will automatically refer the case back to regular arbitration.
6. At the hearing each party will have seventy-five (75) minutes to present its case, however, the arbitrator has the authority to extend the time. That time may be used in whatever

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who shall settle such matter as provided herein.

(A) The Board of Arbitration shall consist of three members, one of whom shall be selected by the Company, one of whom shall be selected by the Union, and a third by mutual agreement of the Company and the Union. The fee charged by the third arbitrator shall be borne equally by the Company and by the Union.

The third member of the Board of Arbitration shall, within ten working days of the Company's acceptance of the Union's request for arbitration, be selected from one of two panels of independent arbitrators agreed upon by the parties, one panel for disputes covering discharges arising under the provisions of Section 6.5 (Disciplinary Procedure), and the second panel for other disputes arising under the provisions of Section 6.5 (Disciplinary Procedure) and Section 6.8 (Grievance/Arbitration Procedure).

The arbitrator listed at the top of such panel shall be selected, unless such arbitrator is disqualified as herein provided, in which case the next listed arbitrator shall be selected. The name of the selected arbitrator shall be moved to the bottom of the panel. The Union and the Company may, on an alternating basis, within the ten days provided above, disqualify the arbitrator listed at the top of such panel, with the provision that each party may disqualify not more than one arbitrator for any one

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arbitration based on its turn for the first or second disqualification in the selection process.

If the selected arbitrator is not available within 6 months, the parties may mutually agree to use the very next arbitrator on the list, if available within six months.

Upon appointment of the Board of Arbitration, the parties shall arrange a hearing date and start hearings as promptly as possible, for it is the expressed desire of the parties to dispose of all arbitrable disputes as promptly as possible.

The decision of a majority of the Board of Arbitration shall be binding upon the Company, the employee, and the Union, unless any party to the controversy shall, within ten working days subsequent to such award, make a claim in writing that such award was invalid upon the grounds set forth in the Arbitration Statute of California Code of Civil Procedure. Upon receipt of such claim, the parties shall meet promptly to attempt to gain an understanding of such claim, and if possible to work out a solution therefor which will be acceptable to all parties to the controversy. No party to the controversy shall avail himself or herself of the provisions of any section of Code of Civil Procedure relating to the modification or correction of such award until the parties have made a diligent effort to compose their differences concerning the award, and in no event earlier than ten working days

Sections 6.8 - 7.1

remedy contained in Section 6.1 (General Statement), the Board of Arbitration may, in non-discharge disciplinary grievances, modify the action taken by the Company.

Article VII

SHORTAGE OF WORK

7.1 - Seniority in Layoff

When there is a shortage of work in a specific job or job classification at a work location, the Company will seek to achieve reductions locally before expanding the layoff to unaffected areas. Where practical, work force will be reduced through voluntary movement of employees, by reassignment to fill vacancies within the affected job classification at the affected work location, or by voluntary termination from the Company. In addition, the Company will lay off employees in affected positions whose performance is rated less than satisfactory before laying off employees whose performance is satisfactory.

Employees will be subject to layoff in the inverse order of their seniority subject to the conditions specified in this Section. The affected employee subject to layoff is generally the least senior employee in the lowest level job at the affected work location, in the region or system wide. However, it is understood that employees being reassigned or filling positions under the provisions of this section must meet the minimum qualifications for the available job. An employee in a higher job at the affected

subsequent to the conclusion of the discussion of the claims of the aggrieved party that the award was improper upon the grounds set forth in the Arbitration Statute of the Code.

(B) General Provisions:

If the Union decides to withdraw its request for arbitration, it shall so notify the Company in writing within ten working days of reaching such decision.

It is agreed that no issue or contention shall be arbitrable which is contrary to any express provision of this Agreement nor shall it involve a determination in disregard or in any manner violative of any power, authority, function or duty which under the provisions of this Agreement are expressly vested in or reserved to the Union or to the Company.

It is agreed that the Board of Arbitration or any one of them shall have no jurisdiction, power or authority to amend, modify, supplement, vary or disregard any provision of this Agreement in any respect whatsoever.

6.9 - Adjustment of Status and Pay

Where an appeal through grievance procedure is upheld, the Company agrees to adjust, in accordance with the findings, an employee's status and pay retroactively to the date of filing of the grievance. Notwithstanding and in no event to exceed the

work location who does not meet the minimum qualification for the lower job, or who is less senior than the least senior employee in the lower job classification(s) in the same progression, may become the affected employee.

The affected employee will be notified of the shortage of work and will have ten(10) working days to accept a job offer or to terminate from the Company. During this period, the Company will provide the affected employee the opportunity to qualify for vacancies through prequalifying examinations and/or skills testing as required.

(A) The Company will identify vacancies or create vacancies throughout the company as job opportunities with the intent of achieving the reduction at the earliest possible step. Any such job opportunities shall go first to a disability bidder with a bid on file for the position if such disability bidder has greater seniority than the affected employee. Employees impacted by this process will be contacted only after job placement opportunities have been identified and not filled by a disability bidder. Such employees will be offered the choice of one of the following options:

1. Accepting one of the job vacancy(ies) identified by the Company;
2. Displacing the least senior employee, with less

seniority, in the next lower classification in the same job progression at the same work location. This step is repeated to reach the least senior employee in the lowest job classification at the affected work location. If the least senior employee's performance is rated LTS, the employee is terminated with termination wages.

The displaced person who is the least senior employee in the lowest job classification and whose performance is rated satisfactory shall be offered the opportunity to exercise option 1 or to displace the least senior employee in the lowest job classification in the same job progression within the region or systemwide if no opportunity exists within the affected region.

3. Leave the Company with termination wages equal to one (1) week's pay for each completed year of service up to a maximum of 24 weeks.

4. Displace the least senior employee in a job classification the employee held during the previous five(5) years.

(B) Termination From the Company: Employees who terminate under this section, will terminate immediately with termination wages as described above.

(C) Red-Circle Pay: Employees reassigned by the Company under the provisions of this section who accept a job of lower pay grade, will receive red-circle pay until the rate of pay for the new job reaches the pay

rate for the job from which the employee was laid off. The employee will retain red-circle pay for any subsequent job move initiated by the employee to a parallel or higher level job.

(D) Exemption from Restriction: Employees who are placed in new jobs under this section are exempt from the one-year restriction from bidding under Article V.

Nothing in this section should be construed as requiring the Company to place an employee in a job for which he or she is not qualified. The refusal of an offer of reemployment will terminate any obligation assumed by the Company.

APPENDIX A

Grade 1

months per step year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$20.58	\$21.58	\$22.01	\$22.44	\$22.87
Hourly Base Rate Eff. 10/1/09	\$21.31	\$22.38	\$22.79	\$23.25	\$23.68
Hourly Base Rate Eff. 10/1/10	\$22.06	\$23.14	\$23.59	\$24.05	\$24.51

Cashier-1
Cashier-Bilingual-1
Facilities Helper
Mail Payment Clerk-1

Grade 2

months per step year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$22.70	\$23.88	\$24.29	\$24.74	\$25.24
Hourly Base Rate Eff. 10/1/09	\$23.50	\$24.69	\$25.16	\$25.61	\$26.13
Hourly Base Rate Eff. 10/1/10	\$24.33	\$25.58	\$26.04	\$26.51	\$27.05

Administrative Clerk-2
CARE Clerk-2
Collection Checking Clerk-2
Customer Service Representative-2
Customer Service Representative-Bilingual-2
Fleet Assistant
Logistics Associate
Mail Equipment Operator-2
Meter Repair Technician
Office Clerk-2
Payment Entry Operator-2
PBX Operator-2

Grade 3

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$24.34	\$25.55	\$26.04	\$26.55	\$27.06
Hourly Base Rate Eff. 10/1/09	\$25.20	\$26.45	\$26.96	\$27.46	\$28.03
Hourly Base Rate Eff. 10/1/10	\$26.08	\$27.38	\$27.91	\$28.45	\$29.02

Administrative Clerk-3 Knowledge of Typing
Administrative Clerk-3 Qualified Typist
Administrative Clerk-Bilingual-3 Knowledge of Typing
Administrative Clerk-Bilingual-3 Qualified Typist
Administrative Clerk-Steno-3
Base Assistant-3
Customer Correspondence Clerk-3
Data Distribution Clerk-3
Field Service Assistant
Instrument Shop Mechanic #2
Leakage Control Clerk-3
Mapping Aide (Non-Region)
Meter Records Processing Clerk-3
Office Clerk-3 (CCRC Only)
Outbound Dialing Representative-3
Outbound Dialing Representative-Bilingual-3
Payment Entry Clerk-3
Receptionist
Transportation Logistics Representative

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Grade 4

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$25.96	\$27.27	\$27.82	\$28.36	\$28.90
Hourly Base Rate Eff. 10/1/09	\$26.85	\$28.23	\$28.80	\$29.35	\$29.92
Hourly Base Rate Eff. 10/1/10	\$27.84	\$29.22	\$29.81	\$30.38	\$30.97

Administrative Clerk-4
Blacksmith
CARE Processing Clerk-4
Communications Storeroom Keeper
Construction Technician
Customer Contact Representative-4
Customer Contact Representative-Bilingual-4
Customer Contact Representative-Steno-4
Customer Contact Representative-Steno-Bilingual-4
Customer Service Representative-4
Customer Service Representative-Bilingual-4
Customer Service Representative-Steno-4
Customer Service Representative-Steno-Bilingual-4
District Operations Clerk
Electrician
Field Collector
Field Technician
Headquarters Payment Control Clerk-4
Laboratory Assistant
Lead Computer Operator-4
Lead Mail Equipment Operator-4
Logistics Representative
Materials Inspector
Measurement Technician #2
Meter Reading Clerk-4
Meter Reading Technician
Meter & Regulator Clerk-4
System Protection Technician

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Grade 5

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$27.61	\$29.31	\$29.90	\$30.48	\$31.08
Hourly Base Rate Eff. 10/1/09	\$28.60	\$30.34	\$30.96	\$31.53	\$32.17
Hourly Base Rate Eff. 10/1/10	\$29.61	\$31.41	\$32.04	\$32.64	\$33.30

Collection Routing Control Clerk-5
Collections Control Clerk-5
Customer Billing Analyst-5
Dispatch Specialist
Energy Technician Distribution
Energy Technician Residential
Fabrication Shop Mechanic #1
Fleet Technician
Gas Measurement Analyst-5
Instrument Shop Mechanic #1
Lead Accounts Control Clerk-5
Lead Customer Correspondence Clerk-5
Lead Field Collector
Lead Meter Mechanic
Lead Meter Records Clerk-5
Lead Outbound Dialing Representative-5
Lead Payment Control Clerk-5
Mapping Assistant (Non-Region)
Meter & Regulator Technician #2
Pipeline Planning Assistant
Pipeline Technician
Reconciliation Clerk-5
Revenue Protection Clerk-5
Senior Administrative Clerk-5
Senior Administrative Clerk-Steno-5
Senior Data Control Clerk-5
Senior Field Collector
Senior Logistics Representative
Station Technician

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Grade 6

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$30.16	\$31.66	\$32.28	\$32.91	\$33.56
Hourly Base Rate Eff. 10/1/09	\$31.22	\$32.77	\$33.41	\$34.07	\$34.74
Hourly Base Rate Eff. 10/1/10	\$32.32	\$33.92	\$34.58	\$35.27	\$35.96

Assistant Telecommunication Technician
Cathodic Protection Technician
Commercial Services Technician
Electronic Energy Measurement Technician
Facilities Mechanic
Investigation Representative-6
Journey Facilities Mechanic
Laboratory Technician
Lead Branch Office Representative-6
Lead Branch Office Representative-Bilingual-6
Lead CARE Control Clerk-6
Lead Collection Representative-6
Lead Customer Billing Analyst-6
Lead Customer Service Representative-6
Lead Customer Service Representative-Bilingual-6
Lead Fleet Technician
Lead Instrument Shop Mechanic
Lead Materials Inspector
Lead Planning Clerk-6
Measurement Electronic Technician
Meter & Regulator Technician #1
Repair Shop Mechanic #1
Senior Electronics Equipment
Senior Work Order Analysis Clerk
Shop Welder
Special Accounts Representative-6
Station Operations Specialist
Storage Engineering Specialist
System Protection Specialist

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Grade 7

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$32.53	\$33.94	\$34.59	\$35.28	\$35.96
Hourly Base Rate Eff. 10/1/09	\$33.47	\$35.13	\$35.81	\$36.62	\$37.22
Hourly Base Rate Eff. 10/1/10	\$34.65	\$36.38	\$37.07	\$37.80	\$38.53

Cathodic Protection Specialist
Journey Blacksmith
Journey Electrician
Journey Machinist
Journey Sheet Metal Mechanic
Journey Welder
Lead Construction Technician
Lead Dispatch Specialist
Lead Electronics Equipment Technician
Lead Facilities Mechanic
Lead Machinist
Lead Repair Shop Mechanic
Mapping Associate
Measurement and Quality Technician
Measurement Specialist
Measurement Technician #1
NGV Station Technician
Office Equipment Technician
Planning Associate
System Gas Dispatcher
System Protection Planner
Transmission Welding Specialist

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Grade 8

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$34.70	\$36.43	\$37.13	\$37.87	\$38.60
Hourly Base Rate Eff. 10/1/09	\$35.92	\$37.71	\$38.43	\$39.20	\$39.96
Hourly Base Rate Eff. 10/1/10	\$37.18	\$39.03	\$39.78	\$40.58	\$41.36

Field Planning Associate
Gas Storage Specialist
Industrial Services Technician
Instrument Specialist
Lead Electrician
Lead Laboratory Technician
Lead Measurement Technician
Lead Meter & Regulator Technician
Lead Planning Associate
Lead Systems Protection Specialist
Metal Crafts Leader
Senior Cathodic Protection Specialist
Station Maintenance Specialist
Telecommunication Technician
Transmission Pipeline Specialist

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Grade 9

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. 10/1/08	\$37.19	\$39.05	\$39.81	\$40.60	\$41.39
Hourly Base Rate Eff. 10/1/09	\$38.50	\$40.42	\$41.21	\$42.03	\$42.84
Hourly Base Rate Eff. 10/1/10	\$39.85	\$41.84	\$42.65	\$43.51	\$44.34

Senior Instrument Specialist
Senior Telecommunications Technician

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Typical Job Progressions

APPENDIX B

JOB INDEX LISTING

JOB PROGRESSIONS AND LAYOFF AREAS

The following list includes job progressions referred to in the Position Opportunity System and in Layoff. The payroll classifications included in each job progression are listed in ascending pay grade order.

Job progressions in different Regions/Departments are considered to be of the same type if they have the same progression titles.

Employees in the same job progression or in the same type of job progression at other work locations have bid priority over the other open bidders.

An employee facing layoff may displace another employee only in his or her current job progression and work location, or in the same type of job progression within the region or system wide. When two or more classifications in a job progression are the same pay grade, for the purpose of layoff, they are to be treated as if they were one single classification.

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HEADQUARTERS
ACCOUNTING OPERATIONS AND ACCOUNTS
PAYABLE

- Accounts Payable
 - Senior Administrative Clerk-5
 - Administrative Clerk-3 - Qualified Typist
 - Administrative Clerk-3 - Knowledge of Typing
- New Business Accounting
 - Reconciliation Clerk-5
 - Administrative Clerk-2
- Sundry Billing
 - Senior Administrative Clerk-5
 - Administrative Clerk-3 - Qualified Typist
 - Administrative Clerk-3 - Knowledge of Typing
 - Administrative Clerk-2

REGION OPERATIONS
GAS DISTRIBUTION AND CUSTOMER
SERVICE

- RO Administrative Support (NOTE 1)
 - Lead Dispatch Specialist-7
 - Dispatch Specialist-5
 - Senior Administrative Clerk-5
 - District Operations Clerk-4
 - Meter and Regulation Clerk-4
 - Leakage Control Clerk-3
 - Administrative Clerk-3 - Qualified Typist
 - Administrative Clerk-3 - Knowledge of Typing
 - Administrative Clerk-2
- Field Services
 - Industrial Service Technician
 - Commercial Services Technician
 - Energy Technician Residential
 - Field Technician
 - Field Service Assistant (NOTE 8)
- Construction
 - Field Planning Associate
 - Lead Construction Technician
 - Energy Technician Distribution
 - Construction Technician (NOTE 8)

(NOTE 1) All jobs in Administrative Support job progression will have progression bid rights to all other Administrative progressions.

(NOTE 8) Construction Technicians bidding to the Field Technician classification who meet the minimum qualifications will have equal bid rights to that of the Field Service Assistants.

REGION OPERATIONS
GAS DISTRIBUTION AND CUSTOMER
SERVICE

- Planning
 - Lead Planning Associate
 - Planning Associate (NOTE 7)
 - Pipeline Planning Assistant (NOTE 8)
- Field Collection
 - Lead Field Collector
 - Senior Field Collector
 - Field Collector
- System Protection
 - Lead System Protection Specialist
 - System Protection Planner (NOTE 7)
 - System Protection Specialist (NOTE 8)
 - System Protection Technician
- Meter and Regulator
 - Lead Meter and Regulator Technician
 - Meter and Regulator Technician #1
 - Meter and Regulator Technician #2

(NOTE 7) System Protection Planner and the System Protection Specialist will have equal bid rights to the Planning Associate as the Pipeline Planning Assistant. Planning Associates will have equal bid rights to the System Protection Planner.

(NOTE 8) Pipeline Planning Assistant will have equal bid rights to the System Protection Specialist as the System Protection Technician.

HEADQUARTERS
FACILITY OPERATIONS/FLEET
SERVICES/LOGISTICS

- Fleet Maintenance
 - Lead Fleet Technician
 - Fleet Technician
 - Fleet Assistant
- Facilities Maintenance
 - Lead Facilities Mechanic
 - Journey Facilities Mechanic
 - Facilities Mechanic
 - Facilities Helper
- Logistics
 - Senior Logistics Representative
 - Logistics Representative
 - Transportation Logistics Representative
 - Logistics Associate
- Administrative Support (NOTE 1)
 - Senior Administrative Clerk-5
 - Administrative Clerk-3 - Qualified Typist (NOTE 3)
 - Admin Clerk-3-Knowledge of Typing (NOTE 3)
 - Receptionist Clerk-3
 - PBX Operator-2
- Office Equipment Repair
 - Office Equipment Technician

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

(NOTE 3) This job has layoff rights to the Region Operations, Administrative Support job progression.

HEADQUARTERS WAREHOUSING AND SHOPS

Materials Inspection

Lead Materials Inspector
Materials Inspector

Meter Shop

Lead Meter Mechanic
Meter Repair Technician

Electronics Repair Shop

Lead Electronics Equipment Technician
Senior Electronics Equipment Technician

Measurement Operations Administrative Support (NOTE 1)

Lead Planning Clerk-6
Lead Meter Records Clerk-5
Meter Records Processing Clerk-3

Repair Shop

Lead Repair Shop Mechanic
Repair Shop Mechanic #1

Machine Shop

Lead Machinist
Journey Machinist

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

HEADQUARTERS WAREHOUSING AND SHOPS

Blacksmith*

Journey Blacksmith
Blacksmith

Fabrication Shop*

Journey Sheet Metal Mechanic
Fabrication Shop Mechanic #1

Metal Crafts*

Metal Crafts Leader

Welder*

Journey Welder
Shop Welder

*Journey Welder, Journey Blacksmith, and Journey Sheet Metal Mechanic are considered first for promotion to Metal Craft Leader prior to any other candidates.

HEADQUARTERS TELECOMMUNICATIONS FIELD

Telecommunications Technical

Senior Telecommunications Technician
Telecommunications Technician
Assistant Telecommunications Technician

Communications Storeroom

Communications Storeroom Keeper

Communications Administrative Support (NOTE 1)

Administrative Clerk-3 - Qualified Typist
Administrative Clerk-3 - Knowledge of Typing

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

HEADQUARTERS CUSTOMER SERVICE MASS MARKETS

Customer Contact Center

Lead Customer Service Representative-6
Customer Service Representative-Bilingual-4
Customer Service Representative-4
Office Clerk-3 (CCC)
Customer Service Representative-2

Correspondence

Lead Customer Correspondence Clerk-5
Customer Correspondence Clerk-3

Investigation

Investigation Representative-6

Outbound Dialing

Lead Outbound Dialing Representative-5
Outbound Dialing Representative-3 (Bilingual)
Outbound Dialing Representative-3

Commercial and Industrial Services

Administrative Clerk-3 - Qualified Typist
Administrative Clerk-3 - Knowledge of Typing

HEADQUARTERS CUSTOMER ASSISTANCE/ PROGRAMS

CARE

Lead CARE Control Clerk-6
CARE Processing Clerk-Bilingual-4
 CARE Processing Clerk-4
 CARE Clerk-2
 Office Clerk-2

DAP

Senior Administrative Clerk-5
 Administrative Clerk-Bilingual 3-- **Qualified Typist**
Admin Clerk-Bilingual- 3- Knowledge of Typing
 Administrative Clerk-3 - **Qualified Typist**
Administrative Clerk-3 - Knowledge of Typing

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HEADQUARTERS CUSTOMER OPERATIONS

Branch Offices

Lead Branch Office Representative-6 (NOTE 11)
Customer Contact Rep-Bilingual-4 (NOTE 11)
 Customer Contact Representative-4 (NOTE 11)
 Administrative Clerk-4
Cashier-Bilingual-1
 Cashier-1

Mass Markets Credit Collection

Lead Collection Representative-6
 Senior Administrative Clerk-5
 Collection Control Clerk-5
 Collection Routing Control Clerk-5
 Administrative Clerk-3 - **Qualified Typist**
Administrative Clerk-3 - Knowledge of Typing
 Collection Checking Clerk-2

Mass Markets Billing Services

Lead Customer Billing Analyst-6
 Special Accounts Representative-6
 Lead Accounts Control Clerk-5
 Revenue Protection Clerk-5
 Customer Billing Analyst-5
 Administrative Clerk-3 - **Qualified Typist**
Administrative Clerk-3 - Knowledge of Typing
 Office Clerk-2

(NOTE 11) For purposes of layoffs in Payment Offices, Lead Branch Office Representatives and Customer Contact Representatives may bump into the Customer Contact Center Progression.

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HEADQUARTERS CUSTOMER OPERATIONS

Remittance Processing

Lead Payment Control Clerk-5
 Senior Administrative Clerk-5
 Headquarters Payment Control Clerk-4
 Payment Entry Clerk-3
 Payment Entry Operator-2
Mail Payment Clerk-1

Meter Reading Operations

Meter Reading Clerk-4
 Meter Reading Technician-4 (NOTE 10)
 Meter Reader - R

Gas Measurement Data Operations

Gas Measurement Analyst-5
Administrative Clerk-3 - Knowledge of Typing

Data Distribution

Senior Data Control Clerk-5
 Lead Computer Operator-4
 Lead Mail Equipment Operator-4
 Data Distribution Clerk-3
 Mail Equipment Operator -2
 Office Clerk-2

(NOTE 10) An employee who previously worked as a Meter Reader, for one year or more, will be qualified to bid for the Meter Reader Technician position.

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GAS TRANSMISSION TRANSMISSION

Station Operations

Station Operations Specialist (NOTE 4)

Station Technician

Base Operations

Base Assistant

Instrument

Senior Instrument Specialist (NOTE 4)

Instrument Specialist (NOTE 4)

Measurement Specialist (NOTE 4)

Station Maintenance

Station Maintenance Specialist (NOTE 4)

Station Technician

Cathodic Protection

Senior Cathodic Protection Specialist

Cathodic Protection Specialist (NOTE 4)

Cathodic Protection Technician (NOTE 5)

Pipeline Technician (NOTE 5)

Station Technician

Pipeline

Transmission Pipeline Specialist

Transmission Welding Specialist

Pipeline Technician (NOTE 5)

Transmission Pipeline Planning

Pipeline Planning Assistant

Transmission Engineering

Senior Work Order Analysis Clerk-6

Administrative Support (NOTE 1)

Senior Administrative Clerk-5

Administrative Clerk-4

Administrative Clerk-3 - **Qualified Typist**

Administrative Clerk-3-Knowledge of Typing

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

(NOTE 4) Employees in Specialist positions within Transmission and Storage will have progression bid rights when bidding to the same job title in either Transmission and/or Storage.

(NOTE 5) Pipeline Technicians shall have bid priority to the Cathodic Protection Technician positions.

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GAS STORAGE STORAGE OPERATIONS

Station Operations
Station Operations Specialist (NOTE 4)
Station Technician

Base Operations
Base Assistant

Instrument
Senior Instrument Specialist (NOTE 4)
Instrument Specialist (NOTE 4)
Measurement Specialist (NOTE 4)

Station Maintenance
Station Maintenance Specialist (NOTE 4)
Station Technician

Cathodic Protection
Cathodic Protection Specialist (NOTE 4)
Station Technician

Gas Storage
Gas Storage Specialist
Station Technician

Storage Engineering
Storage Engineering Specialist-6
Senior Work Order Analysis Clerk-6

Administrative Support (NOTE 1)
Senior Administrative Clerk-5
Administrative Clerk-3 - **Qualified Typist**
Administrative Clerk-3 - **Knowledge of Typing**

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

(NOTE 4) Employees in Specialist positions within Transmission and Storage will have progression bid rights when bidding to the same job title in either Transmission and/or Storage.

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GAS CONTROL

Gas Control Administrative Support (NOTE 1)
Senior Administrative Clerk-5

Gas Control
System Gas Dispatcher

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

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GAS ENGINEERING

Engineering Analysis Center
Lead Laboratory Technician
Laboratory Technician
Laboratory Assistant

Engineering Services Administrative Support (NOTE 1)
Administrative Clerk-3 - **Qualified Typist**
Admin Clerk-3 - **Knowledge of Typing**

Measurement Gas Analysis
Lead Measurement Technician
Measurement Technician #1

Mapping
Mapping Associate
Mapping Assistant
Mapping Aide

Mapping Administrative Support (NOTE 1)
Senior Administrative Clerk-5
Administrative Clerk-3 - **Qualified Typist**
Administrative Clerk-3 - **Knowledge of Typing**

(NOTE 1) All jobs in Administrative Support job progressions will have progression bid rights to all other Administrative Support progressions.

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GAS ENGINEERING

Electrician
Lead Electrician
Journey Electrician

NGV Maintenance
NGV Station Technician
Electronic Energy Measurement Technician

Instrument Shop
Lead Instrument Shop Mechanic
Instrument Shop Mechanic #1
Instrument Shop Mechanic #2

Measurement Electronics
Measurement Electronics Technician

Measurement Standards Quality
Measurement and Quality Technician

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APPENDIX C

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, LOCAL 522-SALES RE SECTION 2.2 (A) - RECOGNITION

The functions currently performed by the classification of Energy Sales Engineers, Commercial Accounts Specialist, Major Builder Account Specialist and Dietitian are to be recognized as managerial duties outside the scope of the Agreement and that the Union ceases its representation of the employees performing said functions effective upon acceptance of the contract.

The Company agrees to accept all current incumbents into management positions.

Affected employees would be eligible for the special early retirement program, adding three (3) years to age and three (3) years to seniority.

Affected employees would be eligible for any open CSP jobs on a priority basis until September 1, 1994. However, they will be held to the same performance standards as any CSP achieving the job on a regular basis.

Affected employees who wish to return to the bargaining unit would have layoff priority rights in bidding for one year. Pay upon return to the bargaining unit would be grandfathered at the rate they were receiving when they left the bargaining unit.

In addition, the Company and the Union agree to the following stipulated conditions:

1. Each qualified participant in the 1993 nonmanagement Marketing Incentive Plan will receive a 2% Customer Service Satisfaction Bonus.
2. The Union will withdraw the overtime/compensation charge with the Department of Labor.
3. The Union will withdraw the NLRB case for alleged unilateral changes in Marketing with respect to the ESEA.
4. All grandfathered employees in the bargaining unit as well as any grandfathered employees transferring into the bargaining unit will be subject to 2.2 beginning July 1, 1994. Section 2.2 will be revised accordingly.

Accepted:

G. A. Acosta
For the Union

G. Joyce Rowland
For the Company

H. L. Garcia
For the Union

Date: 3/6/94

3/6/94

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LETTER OF AGREEMENT BETWEEN THE GAS COMPANY AND LOCAL 132 OF THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO, RE SECTION 2.2 (C) - BI-WEEKLY DUES

An employee may join or authorize that dues deductions be paid to Local 132, Utility Workers Union of America, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on each payday of every month, deduct from any employee's wages for the related pay period the amount required to equal total membership dues. The Union agrees that the dues shall be constituted in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. Such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another as defined in Section 2.2(A) (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of his or her transfer.

Accepted:

Date J. Viol
For the Union
3/6/94

G. Joyce Rowland
For the Company
3/6/94

CHILD CARE

The Company proposes to establish 4 Regional and 1 Headquarters task force teams to develop and implement child care initiatives based on the needs and possibilities of each area.

Each team will be funded with \$5,000 to use as each determines, except that no funds can be paid directly to employees.

Teams will convene after consolidation is complete.

The following are examples of initiatives the teams may implement:

- Identify and publicize local child care options.
- Work with other area employers to establish coalitions, and use the \$5,000 as our contribution to the establishment of a local child care facility.
- Use the \$5,000 as "seed money" to help a child care provider establish a convenient facility.

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LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, AND INTERNATIONAL CHEMICAL WORKERS UNION, AFL-CIO, FOR TRANSMISSION RE SECTION 7.1 OR LETTER OF AGREEMENT, LAYOFFS

With respect to Transmission, no layoff bidder shall be placed into the following open jobs...

Cathodic Protection Specialist
Gas Storage Specialist
Instrument Specialist
Senior Instrument Specialist
Station Maintenance Specialist
Station Operations Specialist
System Gas Dispatcher-11
Transmission Pipeline Specialist
Transmission Welding Specialist

...if the job is higher than their current pay level unless the list of senior, qualified bidders for the position has been exhausted.

Accepted:

Denise Zukowski
President
Local 435-UMWA, AFL-CIO
For the Union

G. J. Rowland
Manager of Labor Relations
For the Company

Date: 3/6/94

3/6/94

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LETTER OF AGREEMENT

Part-time and full-time temporary employees in bargaining unit positions shall become part of the unit after 520 hours of cumulative employment. This change will become effective 4/1/2009 to allow for programming changes to be implemented.

They will pay prorata dues or dues equivalent after 520 hours of cumulative employment. The only part of the contract which applies to part-time and full-time temporary employees is Section 4.1(A), (excluding premiums not currently paid to part-time or full-time temporary employees).

As in the past, part-time and full-time temporary employees are terminable at will. Dues check-off will be initiated as soon as programming changes are made. This should be about September 1, 1994.

For the Company
S.J. Bosworth
Date: 3/1/99

For the Union
John Duffy
Date: 3/1/99

Note: In addition to the above, part-time employees are accorded bidding rights under Section 5.10 (Position Opportunity and Placement).

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, AND INTERNATIONAL CHEMICAL WORKERS UNION, AFL-CIO, RE MEDICAL PLAN

As a result of the 1993 negotiations, the Union and the Company hereby agree to set up an ongoing structure to facilitate the development of joint approaches to benefit issues.

Five members of the UMWA and five members of the ICWU will participate as a Benefit Committee. This Committee will meet regularly once every two (2) months with additional meetings called upon as needed. In addition to receiving benefit plan financial data, the Committee will attempt to work with the Company to anticipate the needs of both parties in ensuring contract negotiations, and solve these problems through long-range planning.

If either party requests a Special Committee meeting, this request must be made in writing and must propose a meeting and location mutually convenient to both parties. Unless waived by both parties, the meeting request should be at least 20 days in advance of the meeting date, and should be accompanied by an agenda of the most relevant items to be discussed. In addition, the joint union expects a continuation of the current relationship where reasonable benefit information requests are responded to quickly by the Company.

Accepted:

Date J. Viol
For the Union
3/6/94

G. Joyce Rowland
For the Company
3/6/94

Date: 3/6/94

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LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO CONSECUTIVE DAY RULE-TRANSMISSION

An employee whose schedule is changed where such change affects previously scheduled days off and results in the employee working in excess of seven (7) consecutive days, will be paid one (1) dollar per hour above their hourly rate. This special premium will be paid for hours worked on the entire regular work schedule until employee is off with or without pay for a full day for any reason or until Section 4.2 (G) applies.

Regular Schedule							New Schedule						
1	2	3	4	5	6	7	1	2	3	4	5	6	7
S	S	M	T	W	TH	F	S	S	M	T	W	TH	F
X	X	D	D	D	D	D	G	G	G	G	G	X	X

Shift Change

Note:

- Employee's schedule was changed, which affected his or her scheduled days off and worked more than 7 consecutive days.
- The employee is entitled to 1 dollar per hour for each regular hour worked until an employee is off for a full day or until 4.2(G) applies.
- One (1) dollar premium does not apply to overtime worked.

Accepted: Dennis Zukowski
For the Union
Date: 3/6/94

G. Joyce Rowland
For the Company
3/6/94

LETTER OF INTENT RE SECTION 5.10 (D)

Listed below is the procedure for handling Job Requisitions (JR's) which are received in Employment for outside hire, including at which point additional referrals are made to Employee Placement for late bidders:

- (1) Applicant pool is checked for qualified applicants.
- (2) Hiring interviews are scheduled.
- (3) If there are no qualified applicants, recruit as appropriate by recorded employment information advertising, and/or targeted recruiting, etc.
- (4) If recruiting efforts specifically stated recruiting for current openings, hiring interviews for qualified applicants are scheduled.
- (5) If recruiting efforts fail to generate qualified candidates, the JR's are returned to Employee Placement for late bidders.
- (6) If recruiting efforts stated recruiting for future openings, the JR's are referred back to Employee Placement for late bidders prior to scheduling applicants for hiring interviews.
- (7) If the requested number of applicants has been interviewed and turned down by the hiring supervisor for job-related reasons, the JR's are referred back to Employee Placement for late bidders before scheduling additional applicants for interviews.

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LETTER OF AGREEMENT - SECTION 5.10 (J) PART-TIME WORK FOR DISABLED EMPLOYEES

Allow able "permanent and stationary" disability employees who cannot return to their regular and customary work to work part-time on a voluntary basis, subject to the following:

- (1) Combined active and disability wages will equal or exceed the employee's disability pay rate, depending on the level of the part-time job and the work schedule, but cannot exceed the full-time pay rate for the part-time job classification.
- (2) The eligibility period for employees who are limited to 5 years of disability benefits will be extended by one calendar day for each 8 hours actually worked but the employee will be terminated upon completing 5 cumulative years on the disability payroll.
- (3) Vacation accrued, based on seniority and time actually worked in the part-time assignment, may be used after a 180-day waiting period.
- (4) Sick leave allowance accrued, based on seniority and time worked in the part-time assignment, may be used on scheduled workdays if unable to work for medical reasons unrelated to the illness or injury that precludes a return to usual and customary work.
- (5) Two holiday credits available upon return to work in the part-time assignment.
- (6) Effective January 1, 1994.

Accepted: Dale J. Viot
For the Union
Date: 3/6/94

G. Joyce Rowland
For the Company
3/6/94

LETTER OF INTENT - CLASSES OF EMPLOYMENT

The Company policy regarding Classes of Employment is as follows:

A. General

The Company maintains two classes of employment, Regular and Temporary, to meet its basic operational needs. Special employment needs are met through independent contract employment.

B. Regular Employment

"Regular employment" is appropriate when the work is of sufficient duration to warrant the creation of a regular full-time job. Regular jobs are created or eliminated depending upon the condition of the Company's business. All persons hired into regular employment serve a probationary period of six to nine months.

C. Temporary Employment

"Temporary employment" is appropriate when the work is of insufficient duration or volume to warrant a regular position. There are two types of temporary employment, Full-time or Part-time.

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1. Full-time temporary employment may not normally exceed a lifetime maximum of six months continuous or accumulated employment. Circumstances may develop to warrant an employee exceeding the limitation. Full-time temporary employment is appropriate when it appears that the temporary job may evolve into a regular position.

2. Part-time temporary employment is appropriate when the employee is normally scheduled to work a maximum of 40 hours per biweekly pay period (including overtime). It is normally limited to less than 1,000 hours total accumulation during the first 12 months of employment and each subsequent calendar year. Exceptions to the limitation may occur due to the complexity of some part-time jobs, unforeseen heavy work loads or other emergencies.

(a) Part-time temporary employees are not worked beyond the regular schedule solely to reduce occasional overtime work by regular employees, nor used for the purpose of paying lower salaries.

(b) Part-time temporary employment, within the limits described above, may continue for relatively long periods with the understanding that part-time employees are not used when essentially the same results are obtainable by using regular full-time employees.

(D) Contract Employment

"Contract employment" instead of temporary employment is the preferred method of hiring when the length of a full-time temporary assignment would not offset Company costs incurred for temporary Company employment, i.e., hiring, training, and unemployment insurance benefits. Contract employment is also appropriate when work of a limited duration requires a special skill which can best be met by using personnel obtained from "Contractors" or individuals working as consultants.

1. Contract employees for office work are hired through temporary personnel agencies. Predetermined costs, for most classifications, have been established through an annual bid process between Human Resources and the Contractors. Arrangements for such contract personnel are made centrally through Human Resources.

2. Contract employees for field and mechanic work are arranged for by the operating departments involved. They are used for the most part in two circumstances: (1) in situations of fluctuating work loads, to avoid periodic shortages of work for regular employees; or (2) when Contractors have specialized skills or equipment which makes it more efficient for the Company to use them.

3. Distribution Contract Employment shall be held to a ratio of Company/contract employees not to exceed 40% contract employees.

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CONTRACT EMPLOYEE REPORTS SIDE LETTER AGREEMENT

The Company and Union agree to the following:

The Company will provide a semi-annual report to the Union identifying contract employees doing represented work (excluding Distribution), including start dates and cumulative hours.

The Company will provide a semi-annual report of Distribution Contract employment showing the ratio of Company/Contract employees.

The following planning job classifications, Pipeline Planning Assistant (PPA) & Field Planning Associate (FPA), will be added to Section 2.1(B)(1), "Contracting Out" and will be considered "Fenced-In Classifications."

J. B. Lane
For the Company

Mark Harris
For the Union

Date: 5/21/2002

Date: 5/21/2002

STATION TECHNICIANS IN STORAGE SIDE LETTER AGREEMENT

The Company and Union agree to the following:

In addition to Shift Change Rights as outlined in Section 3.6 of the Agreement, Station Technicians in Storage may request a change in line of progression from Station Technician/Maintenance to Station Technician/Operations and vice versa at their immediate work location.

The employee requesting the change must have greater seniority than the least senior Station Technician in the requested progression at the location. Changes are limited to once per year and must coincide with the shift changes. A letter requesting the change must be submitted in writing to the appropriate supervisor not later than the first day of the preceding January, to be effective the following February.

J. B. Lane
For the Company

Mark Harris
For the Union

Date: 5/21/2002

Date: 5/21/2002

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FIELD SERVICE ASSISTANT SIDE LETTER AGREEMENT

The Company and Union agree that the newly created Field Service Assistant (FSA) classification is to assist in completing non-entered company orders on customers' premises. This classification will be added to the Field Service Progression and is considered "Safety Sensitive" as outlined in the Department of Transportation Regulations.

Current Safety Service Representatives will be mapped to the FSA classification.

Construction Technicians bidding to Field Technician positions shall have bid rights that are equal to the Field Service Assistant.

J. B. Lane
For the Company
Date: 5/21/2002

Mari Harris
For the Union
Date: 5/21/2002

OUT OF TOWN EXPENSES SIDE LETTER AGREEMENT

The Company and Union agree to the following:

Employees who are reimbursed for out-of-town expenses for Company-required training can receive pay of excess time and mileage to return home during breaks in training of two days or more. This option is available in lieu of paid lodging and per diem expenses (per diem is \$38 per day), during such breaks. Supervisors must be notified in time to avoid lodging cancellation costs.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

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Note: Reinstatement may not be possible if the Company's circumstances have changed, to make the return to work impossible or unreasonable, or if the position has been eliminated.

S.J. Bosworth
For the Company
3/1/2008

John Duffy
For the Union
3/1/2008

LETTER AGREEMENT

Re: Union Leave of Absence

The Company and the Union agree to the following language regarding C-6:

The Company will pay for four (4) UMWIA and four (4) CIOUIC members (the "Joint"), one (1) member from UMWIA Local 482 and one (1) member from UMWIA Local 522 during contract negotiations, including ratification.

The Company will pay for all days of bargaining for the first 4 months of future negotiations.

S.J. Bosworth
For the Company
01/01/05

Maria Rodriguez-Harris
For the Union
01/01/05

LETTER AGREEMENT

Re: Alternative Dispute Resolution (ADR)

In an effort to address concerns raised by the Union, the ADR process will be modified in one respect. ADR discussions could begin if requested by either party. ADR may be used for many purposes when there are disputes and issues to be addressed, in cases where ADR is being used for discipline and the Company contemplates discipline greater than two (2) days off, the Local union president or their designee must approve the ADR resolution. An ADR form must be completed after the conclusion of the ADR process and a copy provided to both Labor Relations and the union present at the ADR. This letter agreement is not meant to discourage or hinder resolution at the local level in any way; rather, it is a slight change that will be in effect for the term of the 2008 agreement.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

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LETTER AGREEMENT PART TIME EMPLOYEES

The Company and Union agree:

Part Time employees with 6 months of service will be afforded all rights under Article VI for any discipline received from Section 8.3A or Section 6.3B.

Part Time Employees who work 1,000 hours or more per year shall receive 16 hours of Personal Business time the following year. If an employee works more than 100 hours but less than 1,000 hours in any following year after reaching the 1,000-hour threshold, that employee will receive 8 hours of Personal Business time the following year.

Effective March 1, 2008, part-time employees who have completed one year of continuous service (rolling 12 months) will be eligible to receive medical, dental, and vision benefits. Employees who have not yet completed one year of service will become eligible on the first of the month following their one-year anniversary date. The following benefit options will be offered:

1. Medical coverage for the low cost HMO, Employee Only option, will be offered under the same cost sharing provisions in place for full-time employees.

2. Dental coverage under the Safeguard dental plan, with the Company paying the full cost of the Employee Only option.

3. Vision coverage under the Safeguard vision plan, with the Company paying the full cost of the Employee Only option.

Effective January 1, 2010 part-time employees who were hired on or before February 25, 2008, who subsequently move to a full-time position will be eligible for the catastrophic sickness allowance after completion of three years or more of regular employment. Part-time employees hired after February 25, 2008, who subsequently move to a full-time position, will not be eligible for the catastrophic sickness allowance.

Part-time employees who waive all three benefits (i.e., medical, dental, and vision) will receive a stipend of \$100/month.

Part-time employees called to military service or who voluntarily enlist in the armed forces of the United States, will be granted a leave of absence and are entitled to reinstatement upon return, provided they comply with the following eligibility conditions:

1. Submit a Leave of Absence form to the employee's supervisor, at least 3 working days in advance of departure. A copy of the employee's official orders, signed by the commanding officer, must accompany the Leave of Absence form.
2. Present to the Company a certificate of satisfactory completion of military service upon his/her return.
3. Apply for reinstatement within 90 days after release of military service.
4. Perform full-time active military service for the term of enlistment or any period of time required by federal or state law.
5. Be mentally and physically able to perform the duties of his/her former job.

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JOB EVALUATION PROCESS SIDE LETTER AGREEMENT

The Company and Union agree to the following:

1. No existing job can be lowered unless it falls at least 5 points below the bottom of its grade.

2. All PAQ results will be in whole numbers with .5 of a point rounded up.

3. Job Evaluation for purposes of evaluating levels, to be done only when
a. General Bargaining in progress.
b. Brand new classifications.
c. Mid-Term by mutual agreement when major changes take place in an existing classification.

4. All job evaluations to be completed within 12 months. All jobs, if any, that increase in level will be paid back to the time the PAQ process begins, for those sets of jobs being evaluated.

5. To ensure objectivity and accuracy, PAQ job evaluations will be conducted exclusively by an external third party consultant. The Company and the Union will not be involved in the process, nor will either side interfere with the process in order to influence the outcome.

6. The third party consultant will randomly select the job incumbents who will participate in the job evaluation process.

7. The Union and Company will have an opportunity to review the consultant's preliminary results, before the results are finalized. At that time, either party may request additional analysis, at the requesting party's expense.

8. The Union and the Company agree to conduct the following job evaluations under the new job evaluation process for the following classifications:

District Operations Clerk-4
Gas Measurement Analyst-6

S.J. Bosworth
For the Company
3/1/2008

John Duffy
For the Union
3/1/2008

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LETTER AGREEMENT

Re: Mandatory Overtime Report

The Company and the Union agree to the following regarding U-27:

The Company will provide the Union with quarterly reports listing mandatory overtime in Customer Service Field by region and base.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

LETTER AGREEMENT

Re: Cause of Discipline

The Company and the Union agree to the following regarding U-26:
The Company will mail a copy of the Cause of Discipline card currently sent to the employee under Section 8.5 (A), (B), or (C) to the union consistent with the provisions of this section.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

LETTER AGREEMENT

Re: Class A/B Licenses

On a non-precedent setting basis, effective 3/1/2009, the Company agrees to provide a premium of \$6.25 per hour for time worked to employees who are required to maintain a class A or B driver's license (excluding Transportation Logistics Representatives).

S.J. Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

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LETTER AGREEMENT

Re: Last Chance Agreement/ADR Training

Last chance agreements must be signed by a Local Union President and the Manager of Labor Relations.

The Company and Union will hold two ADR training sessions in 2006 and one training session per year, if necessary.

The Company will sustain pay for two officers to attend ADR training.

The Company will clear with pay, the Union Stewards who attend the ADR training, the succeeding day to attend a union training day.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

LETTER AGREEMENT

Re: Paid Union Leave

In conjunction with the 2004 negotiations between the parties, the following was agreed to regarding employees off on Union business under Article 2, Section 2 (B).

Employees who are absent from work at the Union's request, under the provisions of Article 2, Section 2 (B) for short, intermittent periods of time of (10) ten days or less, shall be paid by the Company at their regular classification straight time rate for up to eight hours per day. Such payment shall be advanced as "Union wages", but will be considered as "Company wages paid" for the purpose of computing an employee's base earnings for employee benefits. However, during such time, each employee will be considered as employees of the Union for all employment purposes set forth in the Worker's Compensation and Insurance chapters of the California Labor Code.

In return, the Union agrees to provide the Company with 48 hours of written notice for the release of such employees in all but emergency circumstances. The clearance for the leave under this Agreement must be authorized by the Local Union President. The Union further agrees that in cases of routine regularly scheduled meetings, the Union will provide written request as far in advance of the meeting as practicable.

RT Union Business With Pay (Company Pays)
B1 Union Business Without Pay
UP Union Business With Pay (Union Reimbursement to Company)

The Union will reimburse the Company for any such wages advanced to employees pursuant to the letter, on a monthly basis, upon receipt of an itemized statement from the Company.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

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LETTER AGREEMENT

Re: Medical Appointments

This Company and the Union agree to the following regarding U-48:

The Company will provide the option of medical appointments on company time, when appropriate (Doctor's appointment only); employee must provide verification of appointments.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

LETTER OF AGREEMENT

Customer Contact Center

The Company and the Union agree to create alternate weekend schedules for graveyard shifts at the San Dimas Customer Contact Center and to resolve the schedules at the local level.

S.J. Bosworth
For the Company
Date: 01/01/06

Maria Rodriguez-Harris
For the Union
Date: 01/01/06

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LETTER AGREEMENT

Re: Meter Reader Base Wage Increases

October 1, 2006

Part-time Stage 1 \$11.64 / hour
Part-time Stage 3 \$18.82 / hour
Meter Reader - R \$18.87 / hour

October 1, 2009

Part-time Stage 1 \$11.95 / hour
Part-time Stage 3 \$17.41 / hour
Meter Reader - R \$20.38 / hour

October 1, 2010

Part-time Stage 1 \$12.37 / hour
Part-time Stage 3 \$18.22 / hour
Meter Reader - R \$21.68 / hour

S.J. Bosworth
For the Company
3/1/2009

John Duffy
For the Union
3/1/2009

LETTER AGREEMENT

Re: Notification of New Hires

The Company and the Union agree to the following regarding U-10:

The Company will provide notification to the Union of new full-time represented hires twice a month.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

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LETTER AGREEMENT

Re: Customer Service Field Employees (ETRs, ETR-As and FTIs)

The Company and the Union agree to the following:

Effective the date of the signing of this Agreement, the Company and the Union will attempt to maximize the number of static Monday through Friday regular work schedules for employees in the Energy Technician Residential (ETR) classification. In order to accomplish this objective and provide satisfactory levels of customer service, the Company and the Union also agree that static Saturday work schedules may be established. For the duration of this Agreement, staffing levels for the new static Saturday schedule will be no greater than 2004 Saturday staffing levels at the Company and region levels. The Company and the Union further agree that static Sunday work schedules may be established. For the duration of this Agreement, staffing levels for the new static Sunday schedule will be no greater than 2004 Sunday staffing levels at the Company and region levels. It is understood that Sunday is not a regular workday. The practice for scheduling and dispatching Sunday work will remain the same.

The details of these new schedules include:

- *Static Monday through Friday work schedules with Saturday and Sunday as scheduled days off
- *Static Saturday work schedules with Sunday and Monday as scheduled days off
- *Static Sunday work schedules with Friday and Saturday as scheduled days off
- *Static Saturday work schedules with split days off
- *Work schedules other than those listed above can be considered and must be mutually agreed to by the Company and the Union

All schedules will be offered first in seniority order on a voluntary basis. Unfilled schedules will be assigned in inverse seniority order. For districts that select rotating schedules, in recognition of seniority, employees may select shifts, schedules and SDOs (scheduled days off) on a voluntary basis, in seniority order.

The new schedules will become effective during the 2nd quarter of 2006. Prior to the implementation of the new work schedules, employees at a district/work location will collectively and affirmatively choose to have static or non-static Saturday/Sunday work schedules. In the event that any district/work location votes in the prescribed methods to use static Saturdays as proposed above, the language in section 8.5 (A) of the Agreement, "...no two consecutive Saturdays will be part of the regular schedule", shall be deemed inapplicable to that location for as long as the location continues to use static Saturday/Sunday work schedules. Should the Customer Service Field employees at that base/work location later vote in the prescribed manner to return to their former work schedules, the aforementioned language in section 8.5 (A) shall return to full force and effect at that base/work location.

Employees at district/work locations must collectively select, by secret ballot vote (50% +1), the current work schedules (no static Saturday/Sunday) or static Saturday/Sunday work schedules.

With the understanding that Monday through Friday SDOs will be distributed in approximately equal proportions at the region level. The voting group will consist of Field

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Technicians, Energy Technician Residential and Energy Technician Residential Apprentices. The Union must provide the Company notification of the voting results by (TBD).

Beginning in 2006 and once annually in subsequent years for the life of the Agreement, employees at a district/work location may collectively choose to change to static or non-static Saturday/Sunday work schedules, with the understanding that Monday through Friday SDOs will be distributed in approximately equal proportions at the region level. The Union must provide the Company notification of any request to change to static or non-static Saturday/Sunday by May 30th. The voting method and voting group will be the same as described above. Any changes resulting from the vote will become effective during the month of August.

The Company will maximize the number of Field Technicians (FTs) and Energy Technician Residential Apprentices working on Saturdays in order to create additional Monday through Friday schedules for Energy Technician Residents.

The Customer Service Field subcommittee will continue to work together to finalize the details needed to implement the schedule changes, including but not limited to the following:

- Transition Plan
- Vacation Scheduling
- Bumping periods
- District opt in/opt-out procedures
- Changes in region staffing levels

All finalized details will be reached by mutual agreement within the Customer Service Field subcommittee. Failure to reach such agreement will result in referral to the Company and Union bargaining committee.

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

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LETTER AGREEMENT

Re: Energy Technician Residential Apprentice (ETR-A) Side Letter Agreement dated 01-01-06 (p. 203) in the 2006 contract.

During the 2006 contract negotiations, the letter agreement from page 203 from the 2006 contract was submitted and removed. Although the original side letter agreement referenced above is removed, the conditions referenced in the letter will remain enforceable.

The parties agree that any remaining ETR-A based under the aforementioned letter agreement will continue their progression to ETR. The Company will provide a copy of all impacted ETR-As no later than 05-31-06.

In regards to part time employees who entered in to the ETR-A apprentice program, these employees will be offered the opportunity to return to their former position, if they do not successfully complete the ETR-A apprentice program.

This Letter Agreement is effective until 12-31-10.

S.J. Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

LETTER AGREEMENT

Re: Energy Technician Residential (ETRs)

The Company and the Union agree to the following:

For the term of this agreement, beginning with the next "open selection" process, and at each successive "open selection" process, bases that have at least 24 ETRs on the active payroll at the time of each "open selection" process, the Company will allow the most senior ETR to be excluded from off-hour shifts or night work assignments. This does not preclude the most senior ETR from volunteering to work off-hour shifts or night work assignments. In any event, at bases with at least 24 ETRs, only one ETR can be excluded from off-hour shifts or night work assignments, based on seniority. If the senior ETR volunteers for an off hour shift or night work assignment the exclusion will be passed on to the next senior ETR.

For the Company
S.J. Bosworth
Date: 3/1/2009

For the Union
John Duffy
Date: 3/1/2009

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LETTER AGREEMENT

Re: Position Opportunity and Placement

The Company and the Union agree to the following regarding U-71:

1. The Company will provide a five-day "Courtesy Posting" for full-time regular positions, if no bids exist, before resorting to outside hiring.
2. The Company will provide improved study guides to assist employees in preparing for the pre-qualification exams.
3. The following job families will be placed in the Bid Book:

- ☐ Mapping & Planning
- ☐ Technician Specialist
- ☐ Administrative
- ☐ Mechanical
- ☐ Station
- ☐ Pipeline/Construction
- ☐ Clerical
- ☐ Customer Contact
- ☐ Meter Reading
- ☐ Warehouse
- ☐ Misc. Clerical

The four test batteries with its associated job families are:

1. Red Battery - (Mapping & Planning and Technician Specialist)
2. Green Battery - (Administrative)
3. Blue Battery - (Mechanical, Station, Pipeline/Construction)
4. Yellow Battery - (Clerical, Customer Contact, Meter Reading, Warehouse, and Misc. Clerical)

S.J. Bosworth
For the Company
01/01/06

Maria Rodriguez-Harris
For the Union
01/01/06

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LETTER AGREEMENT

Re: Military Leave of Absence under Executive Order 13223 or related National Activation Orders

Employees who have been full time regular employees for at least 6 months, and who are members of the ready reserve when they are called to active duty for more than 30 days, will be eligible for continuation of pay. In addition, there are some other benefits that may be sustained.

Continuation of Pay - The employee following commencement of leave must provide the Company with a copy of his/her first Leave and Earnings Statement (LES) when received and at least one LES statement per quarter thereafter. Additionally, the Company must be notified within 90 days of the time the employee has been released from active duty whether or not the employee intends to return to work.

Upon receipt of each quarterly LES statement, the employee will be reimbursed for the difference (if any) between their normal straight time pay and the pay and allowances they received while on military leave under executive order 13223, or related orders.

Medical/Dental/Vision - The Company will continue medical, dental, and vision coverage for up to two months - the month in which the employee's military leave begins and the following month. The second month will be at the company's expense. Upon the employee's election, but within 40 days of leaving employment for active duty, medical, dental, and vision coverage shall be continued for at least the initial 18 months of military leave under the same terms as during the employee's employment. However, such benefits will be coordinated with military benefits. Coverage for dependents may also be continued. The employee on Military Leave shall, just as during active employment, be responsible for his or her portion of premiums as they may be adjusted during the leave and the Company shall pay its portion. These may be paid through a deduction from pay differential, if available. If not, premium payments will be billed to the employee and will need to be paid with after-tax payments.

Supplemental Life and Accidental Death & Dismemberment - Coverage may be continued by the employee at their option and expense, however, exclusions in the policy may apply to the payment of benefits for losses incurred during active military duty. Supplemental life insurance and AD&D coverage for qualified dependents can also be continued. The Basic life insurance paid entirely by the Company is cancelled at the end of the month after 30 days of active duty.

401K Savings Plan - Employees will continue participation eligibility in the 401(k) Savings Plan using the pay differential as "base salary." At the employee's option, the plan will suspend repayment of any plan loans until military leave has ended.

Pension Plan - Employees will continue receiving contribution credits in their Pension Plan based upon the amount of pay differential that is paid by the Company.

Seniority Credit - Employees returning from military service are entitled to seniority credit for the time spent in military service.

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Reinstatement after completion of military duty - Upon completion of a military leave, employees have the right to return to work and will have seniority and other rights and benefits reinstated immediately as if employment had been continuous, provided that:

1. They request re-employment within 90 days of completing service, and
2. They meet the physical qualification of the job, and
3. The Company's circumstances have not changed so as to make the return to work impossible or unreasonable.

Employees qualified for reinstatement shall be returned to a former position or to a position of like seniority, status and pay unless that position has been eliminated or the employee can no longer perform the duties of that position because of a disability sustained during service in the armed forces. Under these circumstances, the employee should be given the most comparable job that he or she is able to perform.

The Company will comply with executive orders or other regulations in effect, including the Heart Act of 2008.

Sus Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

LETTER AGREEMENT

Re: Training Opportunities

For the life of the 2009 agreement, the parties agree that the Western States Utility Workers Industry Apprenticeship and Training Trust Fund or the ICWUC Center for Worker Health & Safety Education may provide training to employees without regard to Union affiliation. To the extent such training is proposed to be conducted on Company time and/or Company premises, such opportunities require advance discussion with the Company and Company consent.

S.J. Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

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LETTER AGREEMENT

Re: Collaboration Opportunities

The Union and the Company both want to have a safe, skilled and productive workforce. The Union and the Company agree to work collaboratively together to achieve these goals.

The parties agree that training plays an important role in achieving the above three goals. The Company welcomes the Union's input on training needs, training programs and other means of ensuring employees receive the necessary formal and on-the-job training for their respective classifications. The Company also welcomes the Union's input on the best course of action regarding re-training existing employees who may be affected by the implementation of new technology.

The Company and the Union will meet at mutually acceptable times (at least quarterly) to work collaboratively on the above items.

This letter agreement will remain in effect through the term of this agreement.

This letter agreement may be extended or modified by mutual consent during the next collective bargaining agreement negotiations.

Nothing in this letter agreement shall be interpreted to replace or diminish the Union's statutory right to bargain over any changes that may affect wages, hours, and working conditions of bargaining unit employees.

Similarly, nothing in this letter agreement is intended to affect the Management Rights provisions contained in the Collective Bargaining Agreement.

S.J. Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

209

LETTER AGREEMENT

Re: New Technology

In the spirit of cooperation and collaboration, the Company will inform the Union about new technology changes and other workplace changes that may affect the working conditions of bargaining unit employees, at a minimum those changes that are mandatory subjects of bargaining.

As it is doing with OpEx 20/20 and AIM, the Company will share information prior to implementation, as well as keep the Union abreast of new or revised plans as information becomes available. Such information may include, but not be limited to the following items, to the extent the information is available:

- A full description of the change, including its purpose, function and how it will fit into existing operations;
- Information regarding costs and benefits, to the extent such information is public;
- Implementation timetable;
- Number and types of jobs anticipated to be changed, added or eliminated by the change; and
- Expected changes in job content, skill requirements and training plans.

Depending on the nature of the information shared, the Union may be asked to sign a confidentiality agreement in order to protect the confidentiality of Company information.

To facilitate discussion and the sharing of information, the Company and Union will meet at mutually acceptable times. Project experts may be invited to participate in the discussions in order to provide firsthand information.

This letter agreement will remain in effect through the term of this agreement.

This letter agreement may be extended or modified by mutual consent during the next collective bargaining agreement negotiations.

Nothing in this letter agreement shall be interpreted to replace or diminish the Union's statutory right to bargain over any changes that may affect wages, hours and working conditions of bargaining unit employees.

Similarly, nothing in this letter agreement is intended to affect the Management Rights provisions contained in the Collective Bargaining Agreement.

S.J. Bosworth
For the Company
Date: 3/1/2009

John Duffy
For the Union
Date: 3/1/2009

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LETTER AGREEMENT

RE: Piloting 4-10 % Schedules

The Company and the Union agree to pilot 4-10 % hour schedules among the ETR classification (during the 2008-2011 contract term), with one pilot per base per region, for one year. If the Company deems that the pilot is successful, the pilot may be expanded.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

LETTER AGREEMENT

RE: Split Days Off

The Company and the Union agree that beginning with the second open selection period in 2008, and over the next four open selection periods, the Company agrees to reduce split days off in Customer Service Field by at least 60 percent compared to 2007 system levels.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

LETTER AGREEMENT

RE: Roving Main Gangs

The Company and the Union agree to form a sub-committee (three union and three management employees) to explore adding more roving main gangs.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

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LETTER AGREEMENT

RE: Additional Vacation Slots for Distribution and Customer Contact Center

The Company agrees to increase holiday vacation slots in the CCC (for Christmas and New Years), for the term of this agreement, for classifications that have more than 25 incumbents. The regular and bilingual slots will be kept separate, with one additional slot afforded to each. These additional vacation slots will be communicated to employees through the local shop committees.

Classification	Site	Current Vacation Slots 2008		Revised Vacation Slots 2008-2010	
		Monday	Friday	Monday	Friday
		Christmas	New Year	Christmas	New Year
CSR 4	San Dimas >25	18	20	20	22
CSR Lead	San Dimas >25	4	4	5	6
CSR 4	Redlands >25	10	8	12	10
CSR Lead	Redlands >25	3	2	3	2
Multilingual CSRs	San Dimas <25	1	1	1	1
OBD/Correspondence	San Dimas <25	1	1	1	1
Clerical	San Dimas <25	1	1	1	1
Clerical	Redlands <25	1	1	1	1

Additionally, one holiday vacation slot (for Thanksgiving, Christmas and New Years) will be added at each base for Distribution Field for the term of this agreement. These additional vacation slots will be communicated to employees through the local shop committees. This Letter Agreement expires on September 30, 2011.

S.J. Bosworth
For the Company
Date: 3/1/2008

John Duffy
For the Union
Date: 3/1/2008

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PRINCIPAL CHANGES FROM THE PREVIOUS AGREEMENT

March 1, 2008

Section 2.1 (B)	Contracting Out: Revise section to add two classifications to the fenced in list. Positions added are System Protection Planner and System Protection Technician.
Section 2.2 (B)	Union Leave of Absence: Revise section to add submission of electronic requests will be accepted for clearances for union leave of absence; added union conferences under reasons for absence; modified to add clearance requests must be completed properly and received 48 hours (two business days) prior to beginning of requested absence; added that the ten working day limit for these absences can be extended during contract negotiations by mutual agreement.
Section 2.2 (D)	Union Activity: Revise section to modify requests for permissions will be made 48 hours in advance of visitation.
Section 2.4 (A)	New Term of Agreement effective March 1, 2008 through September 30, 2011
Section 3.6	Veteran's Seniority Credit: Revise section to add language to reflect this credit shall also be extended to employees who served active duty in the US Armed Forces or National Guard in the Afghanistan/Iraq conflicts which resulted from the events of September 11, 2001.
Section 4.1 (A)	Base Wages: Revise section to reflect hourly pay rates as set forth in Appendix A - October 1, 2008, through September 30, 2009; October 1, 2009 through September 30, 2010; October 1, 2010 through September 30, 2011.
Section 4.2 (H)	Emergency Postponement of Lunch Periods: Revise section to modify language that operating emergencies may force postponement of the lunch period. In such cases, the Company will comply with applicable state and federal laws.
Section 4.3	Premiums: Revise section to provide increase of all premium rates by 3.5% effective 10/01/08, by 3.5%, effective 10/1/09, and by 3.5% effective 10/1/10.

Section 4.3 (E)	On-Call Pay: Revise section to increase premium by a one-time 3%, over and above GWM effective 10/01/08. Increase premium by same percentage as the general wage increase beginning 10/01/09 and thereafter for the duration of the contract.
Section 4.4 (A) II	Revise language to "operating necessity as determined by the company".
Section 4.4 (A) IV	Clarify that acid vacation less than 40 hours is paid in one lump sum and employees who sail 40 hours will have the option of receiving the lump sum or over 24 pay periods.
Section 4.4 (B)	Revise the section to include the restructured Sickness Allowances.
Section 4.4 (J)	Revise the section to include clarifying language on use of the IRS mileage rate to reimburse employees for Company business miles.
Section 4.6 (B)	Special Provision/Coveralls: Revise section to add classifications being furnished coveralls for intermittent use: Lab Assistant, Lab Tech, Lead Lab Tech.
Section 4.6 (D)	Special Provision/Footwear: Revise section to increase the number of classifications eligible for the footwear allowance. Footwear allowance will remain at \$85.00.
Section 6.9	Temporary Relief Assignments: Modify section to include "RV" and "V" guidelines.
Section 5.10	Update section 5.10 to include real time bidding.
Section 6.8 (Steps 4 & 6)	Grievance Procedure/Arbitration: Modify to include change to the panel and the selection process.
Appendix A	Revise section to reflect new pay grades and step progressions and current job titles and levels.
Appendix B	Revise section to reflect the existing organizational changes, current job titles and levels. Revise section to incorporate newly created positions, and update Notes. Include the Senior Cathodic Protection Specialist and the Cathodic Protection Technician classifications and remove existing notes 4 and 5. Add new note 4 allowing bid rights for Specialist positions in TAB. Add new note 5 giving Pipeline Technicians bid priority to Cathodic Protection Technician job. Add note 1 to all Admin Support progressions. Add new language to clarify the

layoff process under this section.

Appendix C	Letters of Agreement:
page 202	Revise letter agreement in appendix C to include Meter Reader Base Wage Increases
page 196	Update letter agreement for Part Time employees to include the revised Medical and new Dental and Vision benefits
page 199	Insert letter agreement for Class A/B commercial driver's license premium
page 195	Update letter agreement for Out of Town Expenses to show per diem increased to \$39 retroactive to 10-01-08
page 206	Eliminate ETRA letter agreement and replace with new letter agreement
page 205	Insert letter agreement regarding meal senior ETR exclusions from off-hour shifts
page 198	Job Evaluation Process (PAQ)
page 190	PT Union Dues
page 207	Military leave of absence benefits for FT employees called to serve in Afghanistan/Iraq conflicts.
page 196	Military leave of absence provisions afforded to PT employees added to letter agreement.
page 197	ADR letter agreement with provisions for discipline greater than 2 days
page 208	Training opportunities
page 209	Collaboration Opportunities
page 210	New Technology
	Remove ETD letter agreement on page 194, remove bid priority in Transmission & Storage, remove reimbursable expenses letter on page 199, remove FT letter agreement on page 206, remove letter agreement on page 208 for on-line bidding
Index	Replace with more user friendly index.

Appendix D	Pension: Amend and restate Pension Plan and move Disability and Life Insurance into their own appendices.
Appendix E	Savings Plan: Amend and restate. Modify to reflect changes to the 401-K savings plan including the increased deferral and the auto escalation.
Appendix F	Medical: Amend and restate. Modify to reflect changes to Medical, Dental and Vision benefits including medical cost sharing. HRA: Revise section to add Health reimbursement Account.
Appendix G	Disability Plan: Amend and restate Disability Plan and move into its own appendix. Modify to reflect changes to Disability Plan.
Appendix H	Life Insurance Plan: Amend and restate Life Insurance Plan and move into its own appendix.

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In the Matter of an Arbitration
between
SOUTHERN CALIFORNIA GAS COMPANY
and
UTILITY WORKERS UNION OF AMERICA,
LOCAL 132, AFL-CIO

Re: David Gibson

OPINION AND AWARD

RECEIVED
APR 22 2004
UNION LOCAL 132

BOARD OF ARBITRATION

WALTER N. KAUFMAN, Neutral Member
LEONARD R. PRYMUS, Company Member
JAVIER MANZANO, Union Member

APPEARANCES:

For the Company - LARRY I. STEIN, ESQ.
Office of the General Counsel
Sempra Energy

For the Union - ADAM N. STERN, ESQ.
DAVID P. MYERS, ESQ. (on the brief)
Levy, Stern & Ford

Dublet.T

This matter was heard in Los Angeles and recorded for transcription on November 24, 2003. It was stipulated that the matter was properly before the Arbitrator, Neutral Chairman of a tripartite Board of Arbitration. Post-hearing briefs were received as of February 23, 2004.

I S S U E S

As stipulated, the issues are: "Was the Grievant," David Gibson, "discharged for just cause, and if not, what is the appropriate remedy?" [T:6].

Grievant, a meter reader, was discharged for "Dishonesty, falsification of Company record" [CX 7].

CONTRACT PROVISIONS

Section 6.3 of the collective bargaining agreement effective April 1, 2002, provides in part, under the heading "Causes for Disciplinary Action" [JX 1]:

"(A) Unsatisfactory job performance . . . :

. . .

"(B) Misconduct, including the following:

. . .

Dishonesty - regarding money, falsification
of Company reports or records"

LETTER OF AGREEMENT

A letter of agreement in effect since April 1, 1978, provides in part, "[w]ith respect to 'falsification of Company reports or records,'" that "the penalty for first offense . . .

will continue to be discharge for employees with less than 5 years of service," but that "this understanding of course in no way affects the Union's right to take such cases to arbitration" [CX 1].

B A C K G R O U N D

Grievant, after approximately two years' employment by the Company as a part-time meter reader, was discharged for "reading through a changed meter," which is regarded as a falsification [T:7].

As explained to the Arbitrator, a meter reader's route and meter numbers are pre-set in a hand-held device carried by the meter reader (referred to as "the hand-held"); and when a reading is entered and is accepted - that is, if no beep is heard - the next meter number appears. However, if the reading entered is not within the range of the previous month's reading, a beep is heard, and the hand-held automatically goes to the "failed audit" screen, which instructs the meter reader to verify that the correct meter is being read and to re-enter a reading. From the "failed audit" screen, the meter reader may also press the "V" key, which will cause the previous month's reading to be displayed; but the "V" key is operable only if an entry "fails audit."

"Reading through a changed meter" may occur when a meter has been reset after the previous month's reading, but before the hand-held has been updated; for, in such a case, the next correct reading may not be within the range of the previous month's

reading, causing the hand-held to beep, and the meter reader, unaware of the change, presses the "V" key and enters a reading based on the previous month's reading instead of rereading and entering the correct reading. The Company has consistently discharged meter readers in such cases.

It is not disputed that the Grievant had been periodically trained to enter only the numbers actually read on a meter, and if an entry "fails audit," had been warned not to enter a reading based on the previous month's reading instead of re-reading the meter.

In March 2002, when a 3-dial meter assigned to the Grievant was changed to read "480," having previously read "485," Grievant continued to enter "485" for a couple of months [UX 1]. As Thomas Lyles, Grievant's supervisor and the Company's principal witness, testified, the Grievant's "485" entries would not have "caused a beep" and were viewed as errors [T:91]. The Company has its meters read regularly by different meter readers in order to check for previous errors; and from time to time, Grievant admittedly had an "error rate" problem [T:115].

In June 2002, when a 4-dial meter assigned to Grievant was changed to read "4973," having previously read "9973," Grievant entered "9973" [CX 6]. However, Lyles agreed with Grievant that the first dial, on the extreme left, was hard to see, but he counseled Grievant "about the misuse of the 'V' key," which still would have shown "9" on the first dial [T:34].

The reading which was not accepted as merely an error and

led to Grievant's discharge was entered on August 30, 2002. That day, the electronic notification provided by the Company informed Grievant that there was an aggressive dog at the address, and that he was to ask the next-door neighbor to secure its friendly dog or dogs so that the Grievant could have access to the neighbor's yard, from which he could read not only the neighbor's meter but also the meter in issue. It is not disputed that he would still have an unobstructed view of that meter.

It was a 4-dial meter, and Grievant entered a reading of "0532," which was consistent with the previous month's reading of "0515," but Grievant's entry was not correct. Because of a recent dial change, the meter had been reset to "0000," so that the correct reading should have been "00" plus two additional numbers. The entry of a correct reading would have "failed audit" - would have caused the hand-held to beep - since it had not yet been updated, so that the previous month's reading would be displayed when the "V" key was pressed.

Grievant, however, denies that he utilized the "V" key on that occasion and testified that, in entering "0532," he did not hit a wrong key, but had misread the meter.

An investigatory meeting took place on September 11, 2002, and was attended by Lyles and another meter reading supervisor, as well as by the Grievant and a Union representative, all of whom went to the meter in issue. Based on the conclusion reached in the report of that meeting, Grievant was discharged the same day:

" . . . [E]very member of the group read the meter and we all inputed [sic] the read (0053) into the handheld. The computer failed audit (audible beep) and we all viewed the 'previous read' of 0515 The group concluded that the only way . . . [Grievant] could have inputed a 5 instead of a zero on the 2nd dial, was with him viewing the 'previous read' and falsely inputing the read. . . ." [CX 7]

The Company also introduced two "read histories" of meters Grievant had read earlier, but were read by another meter reader after Grievant was discharged. The later readings were lower than those which Grievant, for several months, had been recording for the same meters. The Union objected to the Company's presentation of the after-acquired evidence.

DISCUSSION AND CONCLUSIONS

1.

Preliminarily, it should be noted that the collective bargaining agreement, excerpted earlier, expressly distinguishes "unsatisfactory performance" from "dishonesty," which includes "falsification of Company reports or records"; and it is clear that the Grievant was discharged for what the Company regards as a meter "read through" - an incorrect reading not attributable to human error in reading the meter or recording the reading, but attributable to a falsification on the basis of the previous month's reading.

Furthermore, in keeping with the letter agreement, also excerpted earlier, it is not disputed that the discharge penalty would be appropriate if Grievant, having less than five years' seniority, was guilty of a single such offense.

As the Company states, "Honest and accurate meter reading

is crucial to the Company, because it ensures the accuracy of bills and the regularity of Company revenue" [CB:7-8]. That statement, it is fair to say, provides the rationale for the foregoing provisions of both the collective bargaining and the letter agreements. Nor is it disputed that the Company has discharged numerous employees for the same offense, and that such discharges have gone unchallenged by the Union, with two exceptions, including the present case.

Nevertheless, the Company has the burden of proof, and the Union, citing Southern Cal. Carton Co., 88 LA 591, 593 (1986), contends that the Company must demonstrate "by clear and convincing evidence" that there was "just cause" to discharge this Grievant rather than merely satisfy "the normal preponderance of evidence standard that may be applied in discharge cases that do not allege dishonesty" [UB:5]. The Union also cites Marine Corps Air Station, 82 LA 28, 30 (1983), for the proposition that "suspicion" is not "proof."

However, it is noteworthy that under the auspices of the National Academy of Arbitrators, a West Coast tripartite committee expressed the view that "it is impossible to state the applicable 'quantum of proof' other than in terms which themselves can only be suggestive, not definitive" - terms which are "metaphorical, not mathematical" - so that "clear and convincing" evidence may be evidence which leaves the arbitrator "pretty certain," whereas it is evidence "beyond a reasonable doubt" which leaves the arbitrator "completely convinced." Problems of Proof in Arbitration (19th Annual Proceedings, NAA) 195 (D. L. Jones

ed. 1966).

More recently, the authors of a well-known handbook on the "just cause" principle conclude that the quantum of proof is a subject of "much controversy," and that "none of the standards" has "a definite objective set of criteria," so that, "in the last analysis, regardless of how the quantum of proof is characterized, its application is up to the individual arbitrator." Koven & Smith, Just Cause: The Seven Tests 267, 268 (2d ed. Farwell 1992).

Suffice it to say that the Arbitrator does not regard any discharge lightly, least of all a discharge for dishonesty, and would not uphold Grievant's discharge if he were not satisfied that the alleged misconduct was credibly established by the record made in this proceeding, and that the Company had just cause to impose the discharge penalty for that misconduct.

2.

In reviewing the record, the Arbitrator has not considered the Company's evidence of Grievant's "read histories" acquired after the Grievant was discharged - evidence which, according to the Company, demonstrates a propensity to "cover up" errors and a "state of mind to falsify" the reading for which the Grievant was discharged [CB:7]. The evidence was received, over the Union's objection, since it was evidence based on Grievant's conduct before he was discharged.

However, although "after-acquired evidence" of pre-discharge misconduct "may be admissible as support for the originally

charged discipline," here the after-acquired evidence did not involve readings of the meter in issue or of any changed meter, nor was the Grievant or Union put on notice prior to the arbitration hearing that the Company would be relying on such evidence. See The Common Law of the Workplace: The Views of Arbitrators §1.79 (St. Antoine ed. 1998); Elkouri & Elkouri, How Arbitration Works 407 (Ruben ed. 2003).

3.

Since it is clear that the Grievant was discharged for falsification, and that the penalty for even a single falsification is discharge, the critical question is whether Grievant was guilty of that offense or whether, as the Union contends, Grievant "simply made a mistake" and should, therefore, be put "back to work with back pay" [UB:3, 10].

The Union correctly notes that in view of "the sheer volume of meter readings that are performed a month," the Company recognizes that "operator error" is a "reality" and, therefore, "rates each employee's performance by month" [UB:7, 8]. Admittedly Grievant had an "error rate" problem; and the Union sees no practical difference between Grievant's having entered "0532" instead of a correct reading of "0032" than when he entered "485" instead of a correct reading of "480" after a meter change a few months earlier - an entry that was regarded as only an error. In other words, as the Union sees it, Grievant mistakenly entered a "5" rather than a "0" in both instances.

Lyles, Grievant's supervisor, who accepted responsibility

for discharging the Grievant, could not explain the substitution of a "5" for a "0" when Grievant recorded "485" instead of "480," but noted that Grievant's entry, which would not have "caused a beep," was made on the "penny dial," the third of the three dials, reading from left to right, and considered it "really meaningless," since the discrepancy "could mean all of ten cents to a customer" [T:91]. Grievant's only testimony concerning the "485" entries was to acknowledge that "possibly" the meter might have been obscured [T:114].

Grievant was likewise given the benefit of the doubt when he later entered "9973," a reading in line with the previous month's reading, rather than "4973," the correct reading, following a meter change. As already noted, Lyles acknowledged that the first dial was difficult to read, but Grievant was reminded not to enter a reading based on the "V" key.

By contrast, the meter in issue was not obscured, and as Grievant testified, Lyles said to him at the investigatory meeting that he "believed that I did read the meter" [T:110]. That testimony was not rebutted, and as the Union points out, "it is not disputed . . . that the Grievant correctly read" the meters at "both houses . . . adjacent to the property in question" [UB:2, 9]. It "does not make sense," the Union asserts, that the Grievant would "skip the meter" at the house in between and enter a reading based solely on the reading displayed after accessing the "V" key [UB:9].

It is fair to say, then, that the Grievant may not be charged with "curbing," a practice, described at the hearing,

whereby a meter reader, who, like the Grievant, is paid per route rather than per hour, saves time by not leaving his vehicle and instead merely enters contrived readings which cause the hand-held to beep and, after pressing the "V" key, enters readings in line with the previous month's readings.

Nor does Grievant say that he read "0032" but mistakenly entered "0532," having hit a wrong key. The Company acknowledges that "any other number but '5' would have been treated as a mere error" [CB:6]. However, Grievant insists he correctly entered the number he read.

Nevertheless, there is no inconsistency between Lyles' statement that he believed the Grievant had read the meter in issue and Lyles' conclusion that the Grievant falsified the "0532" entry. For the basis of the accusation is not that Grievant did not read the meter, but that he did not take the trouble to re-read it and enter the correct reading even though the correct reading "failed audit." As already noted, that is the essence of a "read-through" following a meter change.

While the small numerical difference between "480" and "485" would not have caused the hand-held to beep, the entry of "0032" would have done so, as occurred at the investigatory meeting in the presence of the Grievant and a Union representative. At that time, in a virtual re-enactment of what would have occurred upon Grievant's entry of a correct reading two weeks earlier, "0053" was entered, and after the beep, the "V" key was pressed, causing the previous month's reading, "0515," to be displayed.

Grievant, to repeat, testified that he made only a single

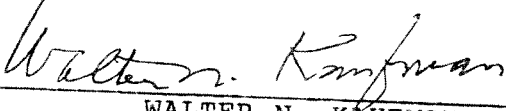
than 480" reading and "9973" rather than "4973" reading that the Company does not perfunctorily conclude that such discrepancies constitute falsification. Furthermore, while the burden of proving wrongdoing is on the Company, the Grievant's testimony must be credible.

On this record, then, the Arbitrator finds and concludes that the Grievant unfortunately chose to conform his entry to the previous month's reading rather than re-read and enter the current reading. It is not disputed that a single such violation by an employee with less than five years' seniority is just cause for discharge. Notwithstanding the Union's considerable effort on Grievant's behalf, the grievance will be denied.

A W A R D

The Grievant, David Gibson, was discharged for just cause. The grievance is, therefore, denied.

DATED: April 17, 2004



WALTER N. KAUFMAN
Neutral Member, Board of Arbitration

LEONARD R. PRYMUS, Company Member

___ Concur ___ Dissent

JAVIER MANZANO, Union Member

___ Concur ___ Dissent

